



## REPORT

To: Shetland Islands Council

12 September 2007

From: Head of Legal and Administration

### **Scheme of Members' Approved Duties, Expenses and Allowances** Report No. LA-58-F

#### **1.0 Introduction**

- 1.1 The purpose of this report is to seek Council approval for a detailed Scheme of Approved duties, and guidance on the procedures relating to claims for travel, subsistence and other allowances.

#### **2.0 Link to Corporate Priorities**

- 2.1 The proposals in this report make a clear contribution to improving accountability and transparency, principles that are enshrined in the developing Corporate Improvement Plan 2007-11.

#### **3.0 Background**

- 3.1 The Ethical Standards in Public Life Etc (Scotland) Act 2000 introduced a Code of Conduct for local authority councillors and members of relevant public bodies. Section 3.5 of the Councillors' Code of Conduct states that Councillors "must comply with the rules for payment to councillors of remuneration, allowances and expenses."
- 3.2 The proposed Scheme, attached as Appendix 1, has been drawn up to assist Members in complying with the Code in making appropriate claims. The Scheme also takes account of recent legislation and guidance relating to Members' allowances and expenses.

#### **4.0 Discussion Points**

- 4.1 Section 3.0 of the proposed Scheme sets out a list of approved duties, and gives additional commentary, which provides a definition of the duty, and whether prior authorisation is required.

- 4.2 The list is based upon all current approved duties, but does not list individual appointments.
- 4.3 Further issues requiring consideration and decision by the Council relate to attendance at Parent Council meetings, and the advertising and hire costs for Members' surgeries.

4.4 Parent Council Meetings

As Members will be aware, School Boards have been replaced by Parent Councils. The legislation relating to School Boards provided an entitlement for Councillors to attend School Board meetings for schools wholly or partly within their electoral division, and the Council previously agreed that attendance at School Board meetings wholly or partly within a Member's electoral division would be given approved duty status. However, the new legislation does not provide for any such entitlement. Councillors may be co-opted as a member of a Parent Council, may be invited to attend by the Parent Council, or may simply attend as Parent Council meetings are open to the public. In this regard, the Council is asked to decide from the following options:

- (a) attendance at any Parent Council meeting is not an approved duty; or
- (b) attendance at any Parent Council meeting is an approved duty, when invited to attend by the Parent Council, except where the Councillor is an elected or co-opted member of the Parent Council.

4.5 Members Surgeries

Approved duty status has been given to attendance at Member surgeries, provided that public notice has been given. At the national Members' Services Network, the question has arisen as to whether Councils should book venues and pay for advertising of Members surgeries. Practice varies amongst other local authorities, and whilst there has not been any request from Councillors in Shetland, the matter is raised for consideration.

4.6 Review of the Scheme

In general, it is hoped that the Scheme will be a useful document for Members and relevant officials, and provides necessary information to the public. A copy of the final document will be provided to all Members and relevant staff, and will be available on the Council's website. As and when the rates of any allowances payable are modified, the document will be refreshed. The proposed Scheme will be reviewed by Council after being in operation for 1 year, or sooner if there are any issues which need to be addressed.

## **5.0 Policy and Delegated Authority**

- 5.1 The recommendations in this report seek approval of new policy, and therefore require a decision of the Council.

## **6.0 Financial Implications**

- 6.1 The recommendations in this report will have financial implications in respect of any claims for attendance at any authorised duty, but should not incur any additional expenditure and shall be contained within the Members' Expenses budget SRX0160. However, budget provision has not been made for the payment of advertising and venue hire costs for Members' surgeries. If such costs were to be incurred, savings would have to be found to cover additional costs.

## **7.0 Conclusion**

- 7.1 The proposed Scheme sets out a comprehensive document of approved duties and procedures for claims and payment of expenses.

## **8.0 Recommendations**

- 8.1 I recommend that the Council:
- 8.1.1 determine approved duty status for Members' attendance at Parent Council meetings referred to in section 4.4 above [option a) or b)];
  - 8.1.2 determine whether the Council should pay for the advertising and venue hire costs for Members' Surgeries, as referred to in section 4.5 above.
  - 8.1.3 adopt the proposed Scheme of Approved Duties attached as Appendix 1, subject to the determination of 8.1.1 and 8.1.2 above; and
  - 8.1.3 agree that the Scheme be reviewed in 1 year's time.

31 August 2007  
AC





# **Shetland Islands Council**

## **SCHEME OF MEMBERS' APPROVED DUTIES AND GUIDANCE ON EXPENSES AND ALLOWANCES**

August 2007

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## Section 1 – INTRODUCTION

- 1.1 The Ethical Standards in Public Life etc. (Scotland) Act 2000 introduced a Code of Conduct, which came into effect on 1 May 2003, for Local Authority Councillors and members of relevant public bodies. This Code governs the everyday working life of a Councillor, and as such is an important document and every Councillor has been issued with a copy. If you have misplaced yours, please contact Members' Services for another copy.
- 1.2 Section 3.5 of the Code states ***“You must comply with the rules for payment to Councillors of remuneration, allowances and expenses.”*** This Guidance Note has been drawn up to assist you in complying with the Code of Conduct, in making appropriate expenses claims. The guidance contained here will not cover every eventuality, and it is important that you seek further advice or clarification on a particular issue from the Chief Executive's Office, **before** you incur expense or make a claim.

## **Section 2 - APPROVED DUTY – THE LEGAL FRAMEWORK**

2.1 Payment of Members' allowances and remuneration is governed by legislation, mainly –

- Local Government (Scotland) Act 1973 – as amended - Sections 46 to 50
- Local Government and Housing Act 1989 – as amended - Section 18
- The Local Authorities etc. (Allowances) (Scotland) Regulations, 1995 – as amended.
- Local Government (Allowances And Expenses) (Scotland) Regulations 2007
- Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007

2.2 It is not compulsory for Members to claim any allowances or amounts of expenditure to which they are entitled.



## Section 3 - APPROVED DUTIES

### 3.1 Definition

The term “approved duty” is defined in Section 49(2) of the Local Government (Scotland) Act 1973 (see Section 6 for details) and is governed by a set of criteria. Within these criteria, the Council exercises its discretion as to what is, and what is not, an approved duty. There are no “blanket” approvals and the following table gives the details of what the Shetland Islands Council (SIC) allows, and does not allow, as an “approved duty”.

### 3.2 List of Approved Duties

Ref	Duty	Council to Pay Travel and Subsistence		Prior Authorisation Required	Comments
		Yes	No		
1	Armistice Parades	√		No	Where attendance is customary to represent the Council, although no formal invitation may be made.
2	Business Meetings	√		No	Attendance at meetings arranged for the purpose of signing documents, etc on behalf of the Council.
3	Community Councils	√		No	Members attendance at a Community Council meeting is deemed an approved duty, unless Member is an Elected Member of the Community Council.
4	Community Hall Committees		X	No	No payment will be made by the SIC for attendance at meetings of Community Hall Committees.
5	Conferences, Seminars	√		Yes	Attendance at any meeting, conference, delegation, study course or visit where attendance has been authorised in relation to any of the Council's functions.
6	Court	√		No	Attendance in connection with legal proceedings where a Member is acting as a witness on behalf of the Council.

Ref	Duty	Council to Pay Travel and Subsistence		Prior Authorisation Required	Comments
		Yes	No		
7	Inquiries	√		No	Attendance in connection with legal proceedings where a Member is acting as a witness on behalf of the Council or where the subject matter is of direct relevance to the Councillor's electoral ward e.g. Planning Public Local Inquiry.
8	Meetings – full Council	√		No	Attendance at any formal meetings of the Council.
9	Meetings – Council Committees, Sub-Committees, Boards and Forums	√		No	Members may attend all formal Council committees either as a member of such a committee or to listen to debate.
10	Meetings – Council Advisory or Working Group	√		No	Payment only authorised if member of Group or invited to attend.
11	Meetings – Council Seminars	√		No	Attendance at any Council group seminar arranged by Council officials, and if invited to attend.
12	Meetings – CoSLA Committees, Working Groups and bodies	√		No – Except any meeting where overnight subsistence is involved requires authorisation	Attendance at any meetings of Committees, working groups or other such bodies to which the Member has been appointed through CoSLA, which are not specifically covered by other sources of funding.
13	Visits – constituents		X	N/A	No payment will be made by the SIC for meetings with constituents – but see Surgeries.
14	Meetings – Officers of the Council	√		No	Attendance at meetings arranged by an Officer of the Council for the purpose of consultation with that Officer in connection with the discharge of any of the Council's functions.

Ref	Duty	Council to Pay Travel and Subsistence		Prior Authorisation Required	Comments
		Yes	No		
15	Meetings – Joint Boards /Committees	√		No – Except any meeting where overnight subsistence is involved requires authorisation	Attendance at meetings of Joint Committees or Boards by substantive or substitute Members appointed by the Council, and only where such bodies are not themselves bodies to pay allowances.
16	Meetings – Area Licensing Board	√		No	Attendance at Licensing Board Meetings by Members appointed to the Shetland Islands Area Licensing Board.
17	Meetings – other bodies/external organisations	√		Not normally	Members may attend meetings of another body to which the SIC has appointed the Member, or a meeting associated with that body where the body has authorised the Member's attendance. Some bodies will pay Members' expenses or pay an allowance – see section 5.5 below, or seek guidance from the Executive Office staff..
18	Meetings – Political Party/Group		X	N/A	No payments will be made by the SIC for attendance at political group meetings.
19	Representation of the Council	√		Sometimes – seek advice from Executive Office staff.	Attendance at any meeting, ceremony or function or on a visit to which a formal invitation has been extended by or on behalf of the Council, or to the Council by another public body, for the purpose of, or in connection with, the discharge of any of the Council's functions.
20	Site Visits	√		Sometimes	Visits to sites of planning applications or other site visits arranged by officials in connection with the remit of the Council or its Committees or Sub-Committees.

Ref	Duty	Council to Pay Travel and Subsistence		Prior Authorisation Required	Comments
		Yes	No		
21	Surgeries	√		No	Surgeries with members of the public. “Surgeries with members of the public” is defined as meetings with individual members of the public or public meetings called to discuss matters falling within the remit of the Council, provided that public notice has been given, but not meetings with specific, organised groups which have not been organised by the Council.
22	Training	√		No	Attendance at corporate training events arranged by, or conducted by, the Council.
23	Tribunals	√		No	Attendance in connection with legal proceedings where a Member is acting as a witness on behalf of the Council.
24	Trusts		X	Not normally.	Attendance at meetings of Trusts are normally covered by attendance allowance according to the terms of the appointment. See Section 5.5, or seek advice from Administration Officer.
25	Visits, Functions, Ceremonies	√		Sometimes – seek advice from Executive Office staff..	Where attendance is customary e.g. local issues – there may be no formal invitation, the organising body may not be “another public body” in the strictest sense, or these are duties of a “civic” nature, rather than part of the Council’s functions.

## Section 4 – REMUNERATION, ALLOWANCES AND EXPENSES AVAILABLE – WHAT AMOUNT CAN YOU ACTUALLY CLAIM?

### 4.1 Basic Remuneration

This is payable to all elected Members and the sum payable by each Council is set by the Scottish Ministers. It is meant to defray the day to day expenses of a Councillor's job, such as the purchase of stationery, or meeting with constituents. The basic remuneration is paid to you on a monthly basis directly into your bank account. The amount is set by the Scottish Ministers. From 3 May 2007 the basic remuneration payable is £15,452 per annum. In addition, the Council does provide Members with laptops, printers and internet access, normally from home, for use on Council approved duties. The cost of this equipment and the inherent consumables is borne directly by the Council.

The basic remuneration commences being payable to members from the first full day after the date of acceptance of office.

### 4.2 Senior Councillor Remuneration

Remuneration for Senior Councillors is payable at the Council's discretion and at a level the Council believes is appropriate, subject to the provisions of the 2007 Remuneration Regulations. Those Members entitled to remuneration will have this paid into their bank accounts on a monthly basis.

The current level of remuneration payable, with effect from the new Council taking office in May 2007, is as follows:

Convener	£25,754.00
Vice-Convener	£19,316.00
Chairperson of Infrastructure or Services Committees	£19,074.50
Scrutiny Committee, Boards or Sub-Committee Chairperson	£16,901.00
Councillor's Basic Remuneration	£15,452.00

Only **one** payment of any remuneration is allowed. Where a Councillor carries out more than one responsibility, the higher value will be paid.

Remuneration is payable from the first full day after appointment to the position of responsibility.

#### 4.3 Telephone Allowances

On providing receipted cost of telephone expenses, the regulations permit the following payments to be made in respect of members using their own telephone/computer for approved duties:

- i) Telephone and computer line rental (first line) – 50% of line rental cost reimbursed
- ii) Telephone and computer line rental (second line) – full receipted cost
- iii) Telephone calls, e mails, faxes – receipted cost of expense.

Telephone and computer line rental costs are excluded from the HM Revenue and Customs Dispensation, but provided members' telephone bills are attached to the expenses Claim Form the amount will be paid, which is subject to tax.

#### 4.4 Publishing of Members Allowances

The Council must publish details of all Members' allowances paid in each financial year. This has to be done within 2 months of the year-end i.e. by 1 June of each year, and is published in the local press. The allowances paid will also appear on the Council's public website.

#### 4.5 Car Mileage

A chart detailing the recognised distances between Lerwick and the most frequently visited places within Shetland is shown below as a guide for Members.

Distance by road in miles from Lerwick:

Aith 21	Laxo Ferry 22	Scalloway 8	
Bigton 19	Levenwick 18	Skeld 25	
Bixter 17	Mossbank 27	Sullom Voe 29	
Brae 22	North Roe 38	Sumburgh 25	
Cunningsburgh 11	Ollaberry 33	Tingwall 6	
Eshaness 39	Quarff 7	Toft Ferry 27	
Girista 10	Quendale 24	Vidlin 24	
Gulberwick 4	Reawick 24	Voe 18	
Hamnavoe, Burra 10	Sandness 29	Walls 25	
Hillswick 35	Sandwick 15	Weisdale 11	
Unst: Baltasound 52	Belmont 45	Haroldswick 55	Uyeasound 48
Yell: Burravoe 32	Gutcher 45	Mid Yell 38	Uista 27

The amounts payable for mileage are detailed below. The rates are reviewed by the Scottish Ministers and from 2 May 2007 stand at:-

**Mileage**

(i) car or van	49.3p per mile
(ii) motorcycle	24.0p per mile
(iii) bicycle	20.0p per mile

**4.6 Parking and Toll Charges**

You may claim the cost of such charges and reimbursement will be made on the production of receipts.

**4.7 Subsistence Expenses - The Regulations do not permit reimbursement without the production of receipts.**

Subsistence relates to overnight accommodation and meals. **Only receipted costs will be reimbursed to the prescribed maximum levels** when council business is required to be conducted outwith a Councillor's own ward (with the exception of members representing the North Isles (Ward 1) who can claim for a meal taken within their electoral ward), and outwith council premises.

The current maximum rates (which are inclusive of VAT) are detailed below:

**a) Meals**

i) Breakfast (where no overnight subsistence is claimed)	£ 8 per day
ii) Lunch	£12 per day
iii) Dinner	£25 per day

**b) Overnight Subsistence (away from home and local authority premises within the UK)**

i) Within Central London	£118.63
ii) Elsewhere	£ 94.82

The rates at 4.7 b) are deemed to cover a continuous period of 24 hours and are to cover the costs of Bed and Breakfast.

**4.8 Other Travel Expenses**

Receipts must be provided in respect of any other miscellaneous travel incurred and subsequently claimed whilst on official Council business, eg Bus Fares, Train/Underground Fares, Taxi and Ferry Fares.

## Section 5 - GUIDANCE ON CLAIMING – HOW TO CLAIM

### 5.1 Basis for Claims

The travelling and subsistence expenses guidance given here applies to all elected Members of Shetland Islands Council. The main aims are:

- To inform Members about expenses which are **properly incurred** when travelling on approved Council duty and can be claimed;
- To reimburse Members who travel on approved Council duty in a way which does not leave them out of pocket for **properly incurred** expenses;
- To ensure efficiency and effectiveness;
- To keep administrative arrangements to the minimum, whilst maintaining adequate accountability;
- To enable all Members, in advance of travelling, to be aware what expenses can properly be incurred;
- To ensure that, as far as possible, a reasonable and safe standard of travel and accommodation is provided.

### 5.2 Completion of the Claim Form - **It is important that you attach receipts to your claim form as the regulations do not permit reimbursement without the production of receipts.**

In order to comply with HM Revenue and Customs, Internal and External Audit requirements, the following details must be provided when completing claims for Reimbursement of Expenses:-

- All appropriate columns must be fully completed, i.e. dates, times, Journey, details of approved duty, etc.
- Columns/lines of the claim form not used should have a line put through them to ensure compliance with Audit requirements.
- Overnight Subsistence – Sea Travel. When travelling by sea, overnight subsistence will not be payable for nights spent aboard ship. However, the cost of meals will be reimbursed upon the production of appropriate receipts up to the maximum rates permitted.
- All receipts must be attached to the claim form in respect of expenditure incurred and subsequently claimed whilst on official Council business, for example, hotel bill, bus, taxis, ferry fares, etc.

**Claims must only be in respect of expenses incurred by the claimant, i.e. the claimant should not be claiming expenses on behalf of someone else. In circumstances where one receipt is in respect of a number of claimants the total amount will be divided by the number of claimants, with claimants only being reimbursed up to the maximum rates permissible. Members should contact the Executive Office Staff for advice on completion of claim forms.**

All travel arrangements outwith Shetland must be organised by the Executive Office staff at the Town Hall at a minimum cost to the Authority.



### 5.3 Overseas Travel

All of the above details relates to Members Travel and Subsistence payments within the United Kingdom. Where members require to go abroad on approved council business then travel and subsistence is reimbursed on an **actuals basis**. It is therefore essential that all receipts, for which reimbursement is required, are kept (Note: Isle of Man and the Channel Isles are regarded as overseas travel). Receipts in Foreign Currency must be converted to pounds sterling before submission to Payroll.

### 5.4 Authorisation and Payment of Claims

The Payroll/Pensions Section of Finance Services is responsible for paying Members Allowances and Expenses. All newly appointed members require to complete a Bank Mandate Form and a P46 Tax Form, both of which should be available from Executive Office staff at the Town Hall.

Members' Allowances and Expenses are paid on the last working day of each month or on the nearest preceding working day where the 30<sup>th</sup>/31<sup>st</sup> falls on a weekend or Public/Bank Holiday.

There are two Claim Forms which must be used:-

- (i) Claim for Members' Expenses which is **white** and should be used for normal Council duties; and
- (ii) Claim for Members' Allowances and Expenses from outside bodies (e.g. Trusts) which is **blue** and should only be used for claiming allowances and expenses in respect of outside bodies as outlined in section 5.5 below.

Supplies of these claim forms can be obtained from the Executive Office staff at the Town Hall.

These claim forms should be returned, in the first instance, to the Executive Office staff at the Town Hall where they will be certified as accurate and then passed to be duly authorised before being passed to the Payroll/Pensions Section of Finance for payment. Claims must be submitted to the Executive Office staff no later than the **2<sup>nd</sup>** of the following month, or the next working day thereafter so as to ensure that Finance services receive them by the **5<sup>th</sup>** for payment at the end of the month. All expenses claims are paid a month in arrears.

The Council's Financial Regulations state that any claim submitted more than **six months** after the expenses were incurred will only be paid on the authority of the Head of Finance. In order to reflect true costs published Councillors' Register of Payments and to maintain accountability of expenses incurred, it is important that Members' claims are submitted regularly on a month to month basis. Where claims are submitted covering a period greater than six months, Members' should be ready to offer reasons to the Head of Finance, as to why they have been unable to comply with the Financial Regulations. You may be asked to confirm details on any claim form. A selection of claim forms are checked on a regular basis by both Internal and External Auditors.

### 5.5 Services on Outside Bodies

Services on some outside bodies as a representative of the Council will entitle a Member to receive travel and subsistence payments provided the body is prepared to reimburse the Council. The identity of the bodies to which this relates and the nature of the business to which this relates, will form part of a review.

Travel and subsistence payments in connection with attendance at the Highlands and Islands Fire Board and the Northern Joint Police Board is met directly by these authorities. Travel and subsistence claim forms provided by these authorities should be sent direct to Inverness. There may be other meetings where members attendances are recharged to the appropriate body e.g. Orkney and Shetland Valuation Joint Board. Meetings of the Area Health Board and Shetland Health Council are held under the auspices of the National Health Service and allowances are therefore paid by that body.

## 5.6 Death In Service Payment

The Council has established a Death In Service Payment Scheme for Members. The payment to the Member's beneficiary being equal to one times annual pensionable pay if the Member was not a member of the Local Government Pension Scheme, with such payment being made from the Reserve Fund. Where a Member is a member of the Local Government Pension Scheme, then the payment equates to two times pensionable pay, with such payment being made from the Pension Fund.

## 5.7 Contacts

Whilst the Chief Executive's Office will be the first point of contact for any queries relating to the operation of the Scheme, if necessary, particular queries relating to claim or payment procedures should be directed to the Payroll Section of Finance, and any queries relating specifically to approved duty status, should be directed to the Service Manager - Administration.

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## Section 6 - LEGAL FRAMEWORK FOR MEMBERS ALLOWANCES

The payment of Members Allowances is the subject of legislation contained in Sections 46 – 50 of the Local Government (Scotland) Act 1973, as amended, and Section 18 of the Local Government and Housing Act 1989, as amended. Rates of Payment are managed by the Scottish Ministers (formerly the Secretary of State for Scotland) by way of regulations reviewed from time to time. The Local Authorities etc. (Allowances) (Scotland) Regulations 1995, as amended, and the Local Government (Allowances and Expenses)(Scotland) Regulations 2007 are the principal regulations.

The term “approved duty” is defined in Section 49(2) of the Local Government (Scotland) Act 1973 as:

- Attendance at a meeting of the authority;
- Attendance at a committee or sub-committee of the authority, either as a member of the committee or sub-committee or at their invitation or by their express authorisation;
- **The doing of any other thing approved by the authority for the purpose of, or in connection with, the discharge of the authority’s functions, including attendance at eligible conferences and meetings, as described in Section 47, and participation in official and courtesy visits as described in Section 48;**
- Attendance at any other body as the authority’s representative where the authority has a statutory duty or power to appoint such a representative, but only if that body has been “prescribed” by the Secretary of State.

The two main criteria in determining whether a duty is “approved” or not are:

- The duty must involve either a) attendance at council meetings or at a committee or sub-committee as an elected member, or b) other duties as specifically authorised by the council or a committee acting with powers;
- The duty must be for the purpose of or in connection with the discharge of the functions of the authority itself.

Within these criteria, it is for the authority to exercise its discretion as to what is, and what is not, approved duty. It is important to note that, particularly with regard to attendance at conferences, discretion must be specifically exercised. There should be no “blanket” approvals under the headings of conferences and the business of each must be approved by the council for allowance purposes.

This Scheme was approved by the Council on 14 September 2007 (Min. Ref. XX/XX)



## **REPORT**

**To:** Shetland Islands Council

12 September 2007

**From:** Head of Legal and Administration

### **Representation to Convention of Scottish Local Authorities (COSLA) Executive Groups**

Report No. LA-52-F

#### **1.0 Introduction**

- 1.1 The purpose of this report is seek nominations from the Council to each of COSLA's Executive Groups.

#### **2.0 Links to Corporate Priorities**

- 2.1 The recommendations in this report are important factors in the way the Council organises its business in terms of communication and partnership working, and supports Corporate and Community priorities relating to social, economic, environmental and cultural goals.

#### **3.0 Background**

- 3.1 At the COSLA meeting on 29 June 2007, it was agreed that the interim political structure of COSLA should include six Executive Groups covering the full range of local government issues. The groups commenced meeting in August, and the interim arrangements will be ratified and/or amended at the October Convention.
- 3.2 COSLA advised that as this is an interim structure that may be subject to change, the need for flexibility was recognised. Therefore any nominated Elected Members who attended the initial meetings in August do not necessarily have to be the Elected Members who will eventually take on the role after October.
- 3.3 The Chief Executive authorised attendance by the Chairperson and Vice-Chairperson of the Services Committee at two of the initial meetings of the Executive Groups that have taken place so far. Councillor L Angus attended the Health and Well-being Executive Group meeting held on 23 August, and Councillor B Fullerton attended the meeting of the Education, Children and Young People Executive Group held on 27 August.

## **4.0 Executive Groups**

- 4.1 The remits of the six Executive Groups is attached as **Appendix 1**. Nominations are sought for five of the six Executive Groups, as follows:
- Health and Well-being
  - Education, Children & Young People
  - Community Well-being and Safety
  - Regeneration and Sustainable Development
  - Resources and Capacity
- 4.2 The membership of these five Executive Groups will be one Elected Member from each Local Authority, giving a Membership of 32. For the Resources and Capacity Membership Group, in addition to the 32 Members appointed by their Councils, one representative from each of the other Executive Groups will also be appointed to this Group, bringing the membership of this Group to 37. It is envisaged that this link between the Executive Groups will strengthen the relationship between resources and service issues.
- 4.3 With regard to the final Executive Group, Strategic Human Resources Management, the membership of this Group will comprise of two Members from each of the other five Executive Groups, plus three fire conveners and three police conveners making up the first 16 members. The remaining 16 places on this Group will be sought from the 16 Councils not already represented in the first 16 members, thus ensuring that all Councils are represented on this Group. Therefore a nomination to this Executive Group may be required at a later date.
- 4.4 It is anticipated that each Executive Group will meet four times each year, and consideration is being given to holding some of these meetings outwith the COSLA Conference Centre in Edinburgh.
- 4.5 The Chief Executive has delegated authority from the Council to authorise attendance at CoSLA meetings where either no Member has been appointed, or the appointed Member is unable to attend. However, in order to assist matters, and in keeping with common practice, the Council is asked to also appoint 1 substitute Member for each of the Executive Groups.

## **5.0 Proposals**

- 5.1 All Members were advised earlier as to the terms of reference for the new CoSLA Executive Groups. In this regard, some Members have made representation, seeking to ensure that CoSLA appointments are aligned with offices held locally, thereby allowing those appointed Members to report back to Council or Committee meetings following

their attendance on the mainland in the performance of their roles. A suitable alignment for consideration is as follows:

- Health and Well-being
  - Chairperson – Services Committee substantive
  - Vice-Chairperson – Services Committee substitute
- Education, Children & Young People
  - Children and Young Peoples Spokesperson substantive
  - Chairperson – Education and Young People’s Board substitute
- Community Well-being and Safety
  - Vice-Chairperson – Infrastructure Committee substantive
  - Environment Spokesperson substitute
- Regeneration and Sustainable Development
  - Chairperson – Infrastructure Committee substantive
  - Chairperson – Planning Board substitute
- Resources and Capacity
  - Convener substantive
  - Vice-Convener substitute

## **5.0 Conclusions**

- 5.1 An interim political structure of COSLA comprising of six Executive Groups has been agreed, and COSLA are now seeking nominations for five of those groups at this stage. This report recommends that the Council submits a nomination for each of the five groups.

## **6.0 Financial Implications**

- 6.1 Expenses incurred by Members in attending meetings etc are recoverable if they form part of an approved duty. Attendance at COSLA meetings as a nominated or appointed representative is deemed an approved duty in terms of Section 3.2 of the Council’s Scheme of Members’ Approved Duties.
- 6.2 There are no additional financial implications associated with the terms of this report, as the number of COSLA Executive Groups has decreased therefore fewer representatives are required. Expenses will be contained within the Members’ Travel and Expenses budgets.

## **7.0 Policy and Delegated Authority**

- 7.1 In the absence of any specific delegated authority for appointment to COSLA Executive Groups, decisions of the Council are required.

- 7.2 Attendance at COSLA meetings as a nominated or appointed representative is deemed an approved duty in terms of Section 3.2 of the Council's Scheme of Members' Approved Duties.
- 7.3 Given the wide-ranging remits of the Groups, and the nature of COSLA business sometimes requiring meetings to be called at short notice, the Chief Executive, or his nominee, currently has delegated authority to: (a) authorise attendance by a Member for any COSLA meetings where the nominated Elected Member is unable to attend; or (b) authorise attendance, nomination or appointment of a Member for any COSLA meetings where no specific Member has been previously nominated or authorised to attend and there is insufficient time to seek a Committee or Council decision.
- 7.4 It is Council practice that voting shall be conducted by secret ballot using first-past-the-post principles.

## **8.0 Recommendations**

- 8.1 I recommend that the Council:
- 8.1.1 nominate a representative and 1 substitute for each of the COSLA Executive Groups required, taking account of the proposals in Section 5: and
  - 8.1.2 note that a nomination to the Strategic Human Resources and Management Executive Group may be required at a later date.

30 August 2007  
LG/AC



## Remits of Spokespersons and Executive Groups

### 1. Health and Well-being

- Social Care/Joint Future
- Free Personal Care
- Care Homes
- Supporting People
- Homelessness (Support & Social Care)
- Local Government & NHS Interface
- CHPs/CHCPs
- Older People's Services
- Mental Health
- Substance Misuse
- Health Improvement

### 2. Education, Children & Young People

- Integrated Children's Services
- Education
- Child Protection
- Corporate Parenting
- Young People/Youth Work
- Children and Young People's Commissioner
- Youth Justice

### 3. Community Well-being and Safety

- Community Safety
- Community Justice Authorities
- Housing, Homelessness and Housing Improvement
- Social Justice/Inclusion
- Consumer Protection/Trading Standards
- Environmental Health
- Lifelong Learning & Community Learning
- Arts, Culture and Leisure
- Anti-Social Behaviour
- Health Improvement

### 4. Regeneration and Sustainable Development

- Economic Development
- Planning
- Roads and Transportation
- Regeneration
- Environmental Issues
- Tourism
- Energy
- Waste
- Water Services
- Building Services
- Sustainable Development

### 5. Resources and Capacity

- Finance
- Asset Management
- Efficient Government
- Outcome Agreements
- Procurement
- Shared Services

### 6. Strategic Human Resources Management

- Personnel Resources
- Workforce Development/Planning
- Recruitment
- Liaison with Unions
- Negotiations
- Single Status





## REPORT

To: Shetland Islands Council

12 September 2007

From: Head of Legal and Administration

### **Appointments to Outside Organisations**

Report No. LA-60-F

#### **1.0 Introduction**

- 1.1 The purpose of this report is to enable the Council to consider requests for appointments and nominations to external organisations to be made at this meeting.

#### **2.0 Links to Corporate Priorities**

- 2.1 The recommendations in this report are important factors in the way the Council organises its business in terms of communication and partnership working, and supports Corporate and Community priorities relating to social, economic, environmental and cultural goals.

#### **3.0 Background**

- 3.1 The Council agreed at its meeting on 28 March 2007, that appointments to external organisations would be subject to a phased review before being submitted to the Council for consideration.
- 3.2 At the Council meeting on 4 July 2007, a number of external appointments were made, and the Council agreed to subject the remaining appointments to a wider review.
- 3.3 Since the meeting on 4 July, two organisations have sought early appointments to their organisations, rather than await a wider review. These appointments are set out in Section 4.
- 3.4 Work will continue with regard to the remaining organisations, and a meeting of the Committee Structure Review Member/Officer Working Group, which has the review as part of its ongoing remit, will be called to review the process and report to the Council.

- 3.4 The purpose of this report is therefore to consider appointments to those organisations that have requested consideration at this meeting.

#### **4.0 Proposals for Appointments and Nominations**

The following appointments and nominations are being sought from the Council.

##### **4.1 Atlantic Frontier Environment Forum**

The purpose of the Forum is to provide a forum for interested parties to exchange information, and to voice and address concerns regarding environmental aspects of oil industry operations in the Atlantic Frontier area, including oil spill response issues. Membership of the Forum includes representatives of the oil companies, the three Islands Councils and Highland Council, the fishing and fish farming industries, Scottish Natural Heritage, Environmental groups such as the RSPB and bodies such as the Scottish Environment Protection Agency. The Scottish Executive Marine Laboratory and the Maritime and Coastguard Agency are also represented. The Council has been a member of the Forum since 1996 and would benefit from retaining membership of the Forum in terms of receiving information and participating in discussion regarding oil developments west of Shetland. One Member is sought for appointment. Appointments were previously given approved duty status.

##### **4.2 YOUTH VOICE Shetland – Youth Cabinet**

In October 2005, the Council agreed to the appointment of Members to the Youth Cabinet, whose aims are: to emphasise the value of young people's positive contribution to the development of services and quality of life in Shetland; and to enhance the role of YOUTH VOICE and ensure that the views of young people are fed into and considered, in all decision making. The Youth Cabinet draws membership from the Council as well as public and voluntary sector agencies such as NHS Shetland and Northern Constabulary, to meet with the YOUTH VOICE Executive regularly ( every 2-3 months) in order to build up a regular dialogue between young people and decision makers, so that current issues can be explored and addressed. A number of Councillors have already expressed their support and willingness to be involved. Three Councillors are sought to form the core group, but that any Member may be invited to attend its meetings, depending on the agenda and issues to be discussed. Appointments were previously given approved duty status.

#### **5.0 Policy and Delegated Authority**

- 5.1 Appointments and nominations to external organisations can only be made by the Council, unless the Council has delegated such authority to a Committee.

## **6.0 Financial Implications**

- 6.1 In the event of approval of approved duty status, attendance at meetings will be met by the Council from existing Members' budgets.

## **7.0 Recommendation**

- 7.1 I recommend that the Council:

- 7.1.1 make the necessary appointments to external organisations as detailed in Section 4 above, and authorise approved duty status of those appointments; and
- 7.1.2 note that work will continue with regard to the remaining organisations, and a meeting of the Committee Structure Review Member/Officer Working Group will be called to review the process and report to a future meeting of the Council.

31 August 2007  
AC





## REPORT

To: Shetland Islands Council

12 September 2007

From: Head of Legal and Administration

### **Schedule of Meetings 2008**

Report No. LA-51-F

#### **1.0 Introduction**

- 1.1 The purpose of this report is to seek Members' approval as to the diary of meetings for 2008, attached as Appendix 1.
- 1.2 Meeting dates for the Licensing Sub-Committee have not been scheduled, but will meet as and when required.

#### **2.0 Policy and Delegated Authority**

- 2.1 Approval of the Council's diary of meetings requires a decision of the Council. From time to time the date of a specific meeting requires to be changed in consultation with the relevant Chairperson but approval of this report will broadly set the cycle of meetings for the year ahead.

#### **3.0 Financial Implications**

- 3.1 There are no financial implications associated with the recommendation in this report.

#### **4.0 Recommendations**

- 4.1 I recommend that the Council adopt the diary of meetings as shown in Appendix 1.

29 August 2007  
LA





2008	Date	Monday	Tuesday	Wednesday	Thursday	Friday	
Week beginning Monday	Week ending Friday						
31 Dec 07	4 Jan 08 a.m.		Public Holiday	Public Holiday			
	p.m.						
7 Jan	11 Jan a.m.		Employees JCC	Planning Board	Harbour Board	Inter Island Ferries Board	FIRST CYCLE (1)
	p.m.		Children and Young People's Board	TS / Shetland College Board	Adult Services Board		
14 Jan	18 Jan a.m.						
	p.m.						
21 Jan	25 Jan a.m.	SIALB <sup>i</sup>	Infrastructure Services	Audit and Scrutiny Committee	Services Committee		
	p.m.						
28 Jan	1 Feb a.m.		Lerwick Up Helly Aa	Public Holiday	SP Harbour Board Executive Committee		
	p.m.	VJB <sup>ii</sup>					
4 Feb	8 Feb a.m.				SIC		
	p.m.						
11 Feb	15 Feb a.m.						
	p.m.						

School holidays

2008	Date	Monday	Tuesday	Wednesday	Thursday	Friday		
Week beginning Monday	Week ending Friday							
18 Feb	22 Feb a.m.		Employees JCC	Planning Board	Harbour Board	Inter Island Ferries Board	SECOND CYCLE (2)	
	p.m.		Children and Young People's Board	TS / Shetland College Board	Adult Services Board			
25 Feb	29 Feb a.m.							
	p.m.							
3 Mar	7 Mar a.m.		Infrastructure Committee	Audit and Scrutiny Committee	Services Committee			
	p.m.							
10 Mar	14 Mar a.m.	LNCT <sup>III</sup>	Executive Committee	Visiting Committee for Legalised Police Cells				
	p.m.							
17 Mar	21 Mar a.m.	SIALB <sup>I</sup>		SIC				
	p.m.							
24 Mar	28 Mar a.m.	Public Holiday						
	p.m.							
31 Mar	4 April a.m.							

School holidays

2008	Date	Monday	Tuesday	Wednesday	Thursday	Friday	
Week beginning Monday	Week ending Friday						
7 April	11 April a.m.						
	p.m.						
14 April	18 April a.m.		Employees JCC	Planning Board	Harbour Board	Inter Island Ferries Board	THIRD CYCLE (3)
	p.m.		Children and Young People's Board	TS/Shetland College Board	Adult Services Board		
21 April	25 April a.m.						
	p.m.						
28 April	2 May a.m.		Infrastructure Committee	Audit and Scrutiny Committee	Services Committee		
	p.m.						
5 May	9 May a.m.		Executive Committee				
	p.m.						
12 May	16 May a.m.			SIC			
	p.m.						
19 May	23 May a.m.						
	p.m.						

School holidays

2008	Date	Monday	Tuesday	Wednesday	Thursday	Friday	
Week beginning Monday	Week ending Friday						
26 May	30 May a.m.		Employees JCC	Planning Board	Harbour Board	Inter Island Ferries Board	FOURTH CYCLE (4)
	p.m.		Children and Young People's Board	TS/Shetland College Board	Adult Services Board		
2 June	6 June a.m.						
	p.m.						
9 June	13 June a.m.		Infrastructure Committee	Audit and Scrutiny Committee	Services Committee		
	p.m.						
16 June	20 June a.m.	SIALB <sup>1</sup>	Executive Committee				
	p.m.						
23 June	27 June a.m.	LNCT <sup>III</sup>		SIC			
	p.m.						
30 June	4 July a.m.						
	p.m.						

School holidays

2008	Date	Monday	Tuesday	Wednesday	Thursday	Friday	
Week beginning Monday	Week ending Friday						
7 July	11 July a.m.						SUMMER RECESS
	P.m.						
14 July	18 July a.m.						
	p.m.						
21 July	25 July a.m.						
	p.m.						
28 July	1 Aug a.m.						
	p.m.						
4 Aug	8 Aug a.m.						
	p.m.						

School holidays

2008	Date	Monday	Tuesday	Wednesday	Thursday	Friday	
Week beginning Monday	Week ending Friday						
11 Aug	15 Aug a.m.		Employees JCC	Planning Board	Harbour Board	Inter Island Ferries Board	FIFTH CYCLE (5)
	p.m.		Children and Young People's Board	TS/Shetland College Board	Adult Services Board		
18 Aug	22 Aug a.m.						
	p.m.						
25 Aug	29 Aug a.m.		Infrastructure Committee	Audit and Scrutiny Committee	Services Committee		
	p.m.						
1 Sept	5 Sept a.m.		Executive Committee				
	p.m.						
8 Sept	12 Sept a.m.			SIC			
	p.m.						
15 Sept	19 Sept a.m.						
	p.m.						

School holidays

2008	Date	Monday	Tuesday	Wednesday	Thursday	Friday	
Week beginning Monday	Week ending Friday						
22 Sept	26 Sept a.m.		Employees JCC	Planning Board	Harbour Board	Inter Island Ferries Board	SIXTH CYCLE (6)
	p.m.		Children and Young People's Board	TS/Shetland College Board	Adult Services Board		
29 Sept	3 Oct a.m.	LNCT <sup>III</sup>					
	p.m.						
6 Oct	10 Oct a.m.		Infrastructure Services	Audit & Scrutiny Committee	Services Committee		
	p.m.						
13 Oct	17 Oct a.m.		Executive Committee				
	p.m.						
20 Oct	24 Oct a.m.	SIALB <sup>I</sup>		SIC			
	p.m.						
27 Oct	31 Oct a.m.						
	p.m.						

School holidays

2008	Date	Monday	Tuesday	Wednesday	Thursday	Friday	
Week beginning Monday	Week ending Friday						
3 Nov	7 Nov a.m.		Employees JCC	Planning Board	Harbour Board	Inter Island Ferries Board	SEVENTH CYCLE (7)
	p.m.		Children and Young People's Board	TS/Shetland College Board	Adult Services Board		
10 Nov	14 Nov a.m.						
	p.m.						
17 Nov	21 Nov a.m.		Infrastructure Committee	Audit and Scrutiny Committee	Services Committee		
	p.m.						
24 Nov	28 Nov a.m.		Executive Committee				
	p.m.						
1 Dec	5 Dec a.m.			SIC			
	p.m.						
8 Dec	12 Dec a.m.	LNCT <sup>III</sup>					
	p.m.						

School holidays



2008	Date	Monday	Tuesday	Wednesday	Thursday	Friday	
Week beginning Monday	Week ending Friday						
15 Dec	19 Dec a.m.						
	p.m.						
22 Dec	26 Dec a.m.				Public Holiday	Public Holiday	
	p.m.						

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<sup>i</sup> SIALB – Shetland Islands Area Licensing Board

<sup>ii</sup> VJB – Orkney and Shetland Valuation Joint Board

<sup>iii</sup> LNCT – Local Negotiating Committee for Teachers

School holidays





## REPORT

To: **Shetland Islands Council**

**12 September 2007**

From: **Assistant Chief Executive**

**REPORT No: CE-31-F**

### **Changes to Harbour Board**

#### **1 Introduction**

- 1.1 The purpose of this report is to recommend changes to the composition of the Council's Harbour Board to include representatives from those industries, which are users of the Council's Harbours.

#### **2 Background**

- 2.1 The Harbour Board was appointed to at the Statutory meeting of the council and in terms of the Scheme of Delegations consists of the Chairman plus one member from each ward.
- 2.2 Previously the membership of the Harbour Board comprised 6 council members and 5 other harbour user nominees which included the site manager of BP Exploration Operating Company Ltd, the area manager OBC Hay, the managing director Grading Systems Ltd, the managing director Shearer Shipping Services Ltd, and Captain D C Gray.
- 2.2 At the meeting of the Harbour Board on the 07 June 2007 the composition of the Harbour Board was raised and it was suggested that in keeping with best practice for the industry it would be prudent to augment the membership of the board with harbour users in addition to the council Members.

#### **3 Proposals**

- 3.1 Following the meeting of the Harbour Board on 07 June 2007 the Chairman advised that a meeting would be arranged with the Vice Chairman together with officials to discuss whether industry representatives should be invited to sit on the Harbour Board, the outcome of which is a proposal that the membership is increased from 8 to 12 to include 4 non council members representing harbour users.
- 3.2 It is further proposed that the 4 representatives will be drawn from an advertisement process seeking expressions of interest from those with special experience, knowledge or ability in one or more of the following areas

- Marine transport of goods and passengers
- Oil and gas industries
- Fishing and aquaculture
- Ship operations and/ or ships agency
- Safety of navigation
- Sailing and other water based sports

3.3 The Harbour Board will be asked to consider the applications received having particular regard to the above criteria and may seek further information prior to making a recommendation to the Council for approval. The 4 appointees will be provided with training to assist them in understanding the council processes and specifically the working of the Harbour Board. The recruitment process will be organised by the Head of Legal and Administrative Services

#### **4 Financial Applications**

4.1 There are no financial application arising directly from the terms of this report.

#### **5 Policy and Delegate Authority**

5.1 A decision to alter membership of a council decision making body requires a decision of the full Council.

#### **6 Recommendations**

6.1 I recommend that the Council approves the proposed alterations to the membership of the Harbour Board to 12 which will include 4 non council members and that the process of recruitment is as set out in section 3.

Date: 03 September 2007-09-03  
Our Ref: WS/KM

Report No CE-31-F



## **REPORT**

**To: Shetland Islands Council**

**12 September 2007**

**From: Assistant Chief Executive**

### **NAFC Marine Centre – Strategic Review**

**Report No: CE-32-F**

#### **1.0 Introduction**

- 1.1 This report takes forward the Council decision of February 2007 in seeking a strategic review of the NAFC Marine Centre.
- 1.2 The report sets out the proposed scope of the review together with who will conduct the review, the establishment of a small review team and the timescale within which this project can be completed and reported back.

#### **2.0 Links to Corporate Priorities**

- 2.1 Sustainable economic development and ensuring our economy is prosperous, competitive and diverse are priorities of the Council Corporate Plan. The NAFC Marine Centre is the main focus for fisheries and aquaculture which are by some margin the largest contributor to the Shetland economy.

#### **3.0 Background**

- 3.1 At the meeting of Shetland Islands Council on 8 February 2007(Sic Min Ref 14/07) the Council approved the grant funding for the NAFC Marine Centre for 2007/08.
- 3.2 Whilst members agreed to the funding package they proposed that an appraisal be carried out to assess the potential that existed for the NAFC Marine Centre and that this should be done by way of a strategic review. They further requested that the review be carried out by an external appraisal and report.

- 3.3 The Chief Executive confirmed that he would look at how the review should be carried out and bring a report back on this matter for consideration to Council.

#### **4.0 Proposals**

- 4.1 There are a number of elements to the NAFC Marine Centre from teaching and academic work to commercial activities of SSQC, training and marine management. It would appear that the main requirement from the Council's perspective is to look at the value of the college outputs to the Council and the community in relation to the current annual levels of Council funding. It will also be appropriate to gain a better appreciation of the full range of benefits that are brought to the community and industries as a result of the college's activities. The Council provides core funding for the NAFC and has done since its inception in 1992. A time line of the funding provided by the Council is set out at Appendix 1.
- 4.2 The original reason behind the establishment of the NAFC was to provide support and training for the fisheries industry and therefore one of the key areas of focus will be on the fisheries development services research and teaching programmes.
- 4.3 As part of this I would expect the review to consider future opportunities for the NAFC including new funding streams, programme opportunities particularly where they can add value to the output of the local fisheries and aquaculture industries. A draft scope for the review is attached as Appendix 2.
- 4.4 Subject to Council approving this approach, I have made preliminary contact with Professor Tony Hawkins formerly head of the UK Fisheries Research Services who is well known to Shetland and familiar with the NAFC. He has agreed to conduct the review commencing later this month with a view to completing the project within a three-month period. I would propose a review team for Professor Hawkins to work with which should include representation from the fisheries industry, NAFC Marine Centre and the Council.
- 4.5 There are currently ten trustees on the board of NAFC Marine Centre made up of six SIC members, three from the main industries of fish catching, fishing processing and aquaculture and Mr Arthur Nicolson as independent trustee. The six members are Councillors Leslie Angus, Sandy Cluness, Betty Fullerton, Iris Hawkins, Jim Henry and Josie Simpson.

I would suggest that the NAFC Board be given an opportunity for input to the review team given that they cover the main areas of interest in what is our biggest economic sector. Although the scope of the review does not go so far as to look at links with Shetland College it would be helpful if the Chair of Shetland College currently Councillor Andrew Hughson could also be a member of the review team in addition to myself, the Director of the NAFC Mr Peter Dryburgh and Neil Grant, Head of Economic Development.

The review team will work with Professor Tony Hawkins which he can use as a sounding board and provide his draft report to. I would expect Professor Hawkins to meet with industry representatives in looking at engagement with the industry and determining what they would want to see coming from the NAFC Marine Centre. There has been recent success in industry/science partnerships particularly in the case of monkfish and it is this kind of partnership that Professor Hawkins will look at as part of his remit.

- 4.6 The timescale for the review is to commence later this month with a view to completion prior to the end of this calendar year.
- 4.7 Among the various areas of activity at the NAFC Marine Centre part of the proposed “one stop shop approach” was for the NAFC to provide the marine management service for marine fish farming and works licences. This has been done successfully for a number of years. However, new legislation has now been enacted to extend planning controls for aquaculture development into the marine environment and although other forms of development such as outfalls will still be dealt with through the ZCC Act, fish farm developments will be made by way of planning applications for which application fees are payable. The members of staff who run this service are employed by the NAFC and it is suggested that in terms of ability to take decision they would be better housed within the SIC establishment. I would propose to take this forward over the next two cycles of meetings but in the meantime seek authority to ensure the smooth running of the service to the industry while this is done.

## **5.0 Financial Implications**

- 5.1 The Council in calling for a strategic review of the NAFC Marine Centre will incur the costs of the consultant providing the service. An indicative sum of £12,000 has been set aside for undertaking this exercise to be met from the external consultant budget code SRX 00 00 1760.

## **6.0 Policy and Delegated Authority**

- 6.1 The Council decision to seek a review of an external organisation has not been delegated to any committee of the Council and therefore a decision of Shetland Islands Council is required.

## **7.0 Recommendations**

I recommend that Shetland Islands Council:

- 7.1 Note the background and approves the proposed scope of the review of the NAFC Marine Centre together with the appointment of an appropriate consultant to carry out the task within a period of approximately three months.

- 7.2 Approves the establishment of a review team to include representation from the NAFC Marine Centre Board of Management (Shetland Fisheries Training Centre Trust) together with myself, Councillor Andrew Hughson as Chairman of Shetland College, Head of Economic Development and the Director of the NAFC.
- 7.3 Approves that delegated authority is granted to the Assistant Chief Executive to take those decisions for Marine based developments which may be taken at officer level in terms of the current Planning Scheme of Delegation in line with the proposal at paragraph 4.7.

WES/DH  
3 September 2007

Report No: CE-32-F



Year	1992/ 93	1993/ 94	1994/ 95	1995/ 96	1996/ 97	1997/ 98	1998/ 99
	Opening of Main Building						
<b>SIC Funding</b>	£258,300	£228,498	£250,445	£300,500	£295,000	£307,500	£318,000
<b>Staff Costs</b>	£164,076	£201,804	£258,430	£390,156	£447,464	£540,297	£642,126

1999/ 00	2000/ 01	2001/ 02	2002/ 03	2003/ 04	2004/ 05	2005/ 06	2006/ 07	2007/08
<b>Marine Hatchery Completed</b>								
	<b>Port Arthur House Completed</b>							
		<b>John Goodlad Centre Completed</b>						
<b>SSQC Merged</b>				<b>SIC Fisheries Merged</b>				
£479,400	£945,013	£1,280,168	£1,245,202	£1,565,370	£1,650,788	£1,825,802	£1,894,000	£1,963,500
£768,999	£1,057,420	£1,154,310	£1,190,870	£1,435,393	£1,746,452	£1,643,948	£1,748,338	£1,872,635

**NAFC Marine Centre**  
**[www.nafc.ac.uk](http://www.nafc.ac.uk)**



## **NAFC Marine Centre – Strategic Review**

### **General**

- The review should be as broad ranging as possible to ensure that for the longer term there are no outstanding issues
- The structure and composition of the trust itself in terms of governance should be reviewed to ensure it is keeping up with best practice.
- The SIC fisheries function as part of the “one stop shop approach” is a key component of the review.
- The relationship with the UHI Millennium Institute will also be considered
- It is important that the review should help to set and determine a strategic direction of the NAFC Marine Centre for the foreseeable future.
- The review should also look at prioritising areas that Shetland needs to see supported and which can be driven and taken forward by the NAFC.
- The output from the NAFC in terms of the funding provided will be looked at particularly in relation to the NAFC as an industry lead resource.
- New funding opportunities highlighted for exploration.

### **All of the funded activities of the NAFC will be considered**

- Teaching through the SSNS
  - Fishing Ticket courses
  - CADET Programme
  - Basic engineering training
  - Short Courses
  - The fact that SUMS go to the SIC and then effectively to Shetland College should be considered - £180,000 annually
- Marine Science
  - Fisheries Research Projects
    - Are they value for Shetland?
    - Support for the SSMO including £25,000 for SSMO secretary's salary
  - Aquaculture Research Projects
    - Are they value for Shetland?
- Marine Management
  - Does it sit in the NAFC or return to the SIC?
- Fisheries ‘one stop shop’ – most effective model or not – how to improve
  - Role in advising the SIC on fisheries and aquaculture issues
- SSQC
  - Towards self-sustaining





# Shetland Islands Council

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## REPORT

To: Shetland Islands Council

12 September 2007

From: Head of Finance

### VIKING ENERGY Ltd.: COMMUNITY OWNERSHIP AND COMPANY STRUCTURE

Report No: F-026-F

#### 1 Introduction

- 1.1 Viking Energy Limited (VEL) is the company via which the Shetland investment in the Central Mainland windfarm project will be made. VEL is currently capitalised to the sum of £1,000, with 90% of the capital owned by Shetland Islands Council (SIC) and 10% owned by the four shareholders in Shetland Aerogenerators (SA).
- 1.2 So far, the local contributions towards this project have mainly been made by the SIC, which is accumulating its costs in accordance with SIC-approved budgets on the understanding that these costs will be reimbursed by VEL at an appropriate time in the life of the company.
- 1.3 The signing of the Viking Energy Partnership (VEP) Agreement on 19 January 2007 between VEL and Scottish and Southern Energy to jointly develop a 600MW windfarm in the Central Shetland mainland was an extremely important milestone for the project. The time is now right to gear up VEL to meet the challenges of the partnership, and that raises three immediate issues which will be addressed in this report, namely:
  - 1.3.1 Future Community ownership of VEL: is SIC or some other form of community ownership most appropriate?
  - 1.3.2 Structure of VEL and VEP: the current structures will need to be developed, sufficient to meet the challenges of the project.
  - 1.3.3 Reimbursement of SIC: the current understanding needs to be replaced by a robust arrangement and a clear timetable under which Council costs will be met by VEL.

## **2 Links to Council Priorities**

- 2.1 The development of the Central Mainland Windfarm is linked to the Council's environmental, economic development and reserves investment policies. It is intended to reduce greenhouse gas emissions, to provide significant employment and business opportunities in Shetland, and to provide improved financial returns on the investment of community reserves.

## **3 Future Community Ownership of VEL**

- 3.1 The purpose behind there being significant community ownership of the windfarm project is twofold.
- 3.2 Firstly, partial ownership of the windfarm will allow the Shetland community to significantly influence the way in which the project develops (and by owning a controlling interest in VEL, the community has control of 50% of the partnership with SSE, regardless of what happens to minority shareholdings in VEL). The possibility of partial ownership was denied to Shetland at Sullom Voe, largely because the community at that time did not have capital to invest, but also because the oil industry was resistant to such community involvement. Neither of those constraints apply this time.
- 3.3 And secondly, partial community ownership gives Shetland the opportunity to win a share of the profits from the windfarm. The business plan for the project holds out the possibility of exceptional rates of financial return, well in excess of those achieved by the investment of community reserves on international markets. There is therefore the prospect of significantly increasing the community reserves, to the benefit of all the purposes and services to which they are applied. The desirability of this is very clear at present, with community demands for expenditure far outstripping community resources.
- 3.4 It follows from all the above that it is very important that the form of community ownership is structured to best advantage.
- 3.5 Having said all that, it is nevertheless important to note that there are still a range of uncertainties, risks and challenges which will have to be satisfactorily met before this project comes to successful fruition. Community investment will have to be carefully handled to ensure that it only goes ahead if the project is going to deliver on its potential to the Shetland community.
- 3.6 The SIC is the current community investor in VEL. However, there are grounds for thinking that this may not be a suitable long term solution.
- 3.7 The key issue here is the legal question as to whether it is within the Council's powers to invest in a company which sells electricity. The legal advice provided by Legal in Appendix B suggests that the Council faces the risk of legal challenge if it is a majority shareholder in a limited company (e.g. VEL) whose sole or primary aim is the sale of electricity. I conclude that this risk of challenge is best avoided if an alternative owner of the community interest in VEL can be found.

- 3.8 Another concern is that since the SIC is a creature of statute, subordinate to the Scottish Executive and Westminster, the holding of community reserves by the SIC is vulnerable to outside interference (either by way of reorganisation or the levels of external financial support).
- 3.9 A third important issue is the potential conflict between the SIC as investor in such a project and the SIC as Planning Authority which will have to initially hear the planning application before it is decided by the Scottish Executive
- 3.10 For these reasons there is a strong case for considering the alternatives to the SIC being the community investor in VEL.
- 3.11 The main objectives for the community investor will be that it has the means to be able to risk a proportion of its resources on this project, that it can secure the returns for the long term benefit of Shetland, and it can provide as much flexibility as possible over the application of those returns. The only existing bodies which have a prospect of fulfilling these criteria are the Shetland Charitable Trust (SCT) and the Shetland Community Development Trust (SCDT). It is currently envisaged that the community investment in the windfarm will eventually (over a period of years and a number of stages) be of the order of £50 million (the remainder of the finance for the project being raised from SSE, SA and the commercial finance markets), and the SCDT does not have that kind of money. The SCT, however, has a current balance sheet of £240 million, so the prospective investment represents a reasonable risk of around 20% of available resources. It is also the case that SCT has good flexibility over the application of resources, and good tax efficiency arrangements, so it can provide an effective repository for the expected returns from the project.
- 3.12 It is therefore concluded that the current 90% SIC shareholding in VEL should be offered to SCT. This conclusion does not, however, rule out the possibility of future investment in the project by SCDT. If at some future date the SCDT has funds available for investment there will be numerous stages at which capital will be required (and new shares will be issued) at which the SCDT could participate. It may well be that the community will wish to channel some portion of the returns from this project into the areas of economic and community development in which the SCDT will operate. This can be considered fully at any of those future investment points.
- 3.13 The next question is what price should the SIC seek from SCT for these shares. VEL is currently a shell company of relatively minor current assets but significant forthcoming liabilities, but with the speculative prospect of high future returns. It can be said that at this stage the future value of VEL is contingent upon key future events (among which are the award of planning permission, the provision of an Interconnector to the National Grid) and that the current value is therefore low. My view is that since the sale of VEL shares is a transfer of community ownership there should be a full transfer of all the risks, liabilities and prospects from SIC to SCT, at no gain or loss to the Council. That view implies the sale of the VEL shares at cost (£900) to SCT.

#### **4 Structure of VEL/VEP**

- 4.1 Regardless of ownership, the Board of Directors of VEL need to develop a Company Plan setting out the resources (management, staffing, infrastructure, etc.) that it will require to fully meet the challenges of the windfarm project, and a timetable for implementation.
- 4.2 The Company currently relies on the provision of resources by the SIC, and to a degree this may remain the appropriate solution. However, there will be an early need for VEL to be able to match its partner, SSE, in the development of the joint arrangements in VEP for the project and to fully look after the interests of its shareholders and the Shetland community interest. This will require VEL to procure all the necessary resources in a way which achieves the single minded focus on its objectives that is required. As part of this VEL needs to make clear and independent choices about what services it continues to commission from the SIC (and indeed the SIC needs to make independent judgments about whether it is appropriate to provide those services). A much clearer separation between VEL and the SIC is required, especially if (as is proposed) the SIC is no longer a shareholder in VEL.
- 4.3 The Board of Directors are currently working on this task of developing the Company Plan for early delivery to the Company shareholders. This will provide the necessary foundation for future investment by shareholders.

#### **5 Reimbursement of SIC**

- 5.1 The current arrangement, under which the SIC has accumulated costs on the understanding of ultimate reimbursement by VEL, was sufficient for the early stages of the project. However, the project has now reached the stage where it will migrate across to a joint entity which will be under the control of the partners in the project, namely VEL and SSE. It has already been argued that VEL needs to be geared up to play its full part in that process, and it follows that VEL needs to understand and meet all its obligations and liabilities.
- 5.2 As part of this there should be resolution of how and when the SIC will be reimbursed for its costs to date, and for future costs.
- 5.3 The costs on this project to date (see Appendix A, total £1.33 million) are properly a burden upon VEL, the only issue being the timing of reimbursement. From the SIC perspective, the earliest possible reimbursement is desirable, especially where there is no formal agreement and no provisions for the payment of interest on balances. From the VEL perspective it may be desirable to seek to negotiate delay in reimbursing these costs, but at the very least it will be to VEL's advantage to quickly resolve this question and know where they stand.



- 5.4 There is also the need to come to an arrangement regarding the reimbursement of ongoing SIC costs in respect of this project. My view is that the SIC should submit quarterly invoices in arrears to VEL for services rendered and costs incurred (including all time based recharges and all relevant expenses), and should provide reliable estimates of such charges in advance.
- 5.5 The SIC is currently providing the Guarantee required by National Grid to meet costs incurred on the Interconnector between the National Grid and Shetland in the event that the project is aborted (if it goes ahead VEP will meet Interconnector costs via Transmission Network Use of System charges). It appears likely that the SIC is the only local party able to offer a satisfactory Guarantee to National Grid for the foreseeable future, and so it is proposed that this arrangement should continue. This also makes sense from the point of view of the SIC continuing to maintain some influence over the project, which fits with its statutory power to pursue community well-being. However, I believe that the SIC, especially if it has sold its shareholding in VEL as proposed, should seek to minimise its exposure under the Guarantee by seeking maximum compensation for any costs incurred from VEL.
- 5.6 I therefore propose that, as soon as the share sale from SIC to SCT is concluded, there should be a negotiation between the SIC (led by the SIC Head of Finance) and VEL (represented by its Board of Directors) with a view to quickly resolving the question of early reimbursement of SIC costs and the future handling of the Interconnector Guarantee. I will report back on the outcome of these negotiations for ultimate approval by the Executive Committee.

## **6 Policy and Delegated Authority**

- 6.1 The work to implement the windfarm is being done in relation to the following Economic Development Policy:
- 6.1.1 Economic Diversification:  
“2.4.3 Encouraging the development of a renewable energy sector in Shetland including ancillary manufacturing and maintenance”.
- The policy was adopted as part of the Economic Policy Statement by the Executive Committee on 9 December 2003 (Min. Ref. 34/03) and by the Council on 17 December 2003 (Min. Ref. 161/03).
- 6.2 The Executive Committee has delegated authority to deal with issues regarding VEL (SIC Min. Ref. 135/03), but in view of the fact that this report deals also with issues of broad strategy, governance and ultimate ownership of the project the report is also being presented to full Council for consideration.

## **7 Conclusions**

- 7.1 The current community shareholding in VEL will best be held by SCT, and the SIC should offer to sell its shares at cost to SCT.
- 7.2 The VEL Board of Directors are working to establish and implement a Company Plan to give appropriate substance to VEL and VEP.
- 7.3 The SIC should negotiate early reimbursement of past costs, and quarterly reimbursement of future costs, and the future of the Interconnector Guarantee with VEL.

## **8 Recommendations**

- 8.1 I therefore recommend that the Council:
  - 8.1.1 approve an offer of sale of its 90% shareholding in VEL to SCT for £900;
  - 8.1.2 note that the Board of Directors of VEL is producing a Company Plan for presentation to its shareholders on the future structure of VEL and VEP, to ensure that they are fit for the purpose of progressing the Central Mainland windfarm project;
  - 8.1.3 instruct the Head of Finance to lead a negotiation with VEL with a view to ensuring early reimbursement of past SIC costs, prompt reimbursement of future such costs, and resolution of the future of the Interconnector Guarantee (the results of the negotiation to be reported back to Executive Committee for final decision).

Date: 03 September 2007  
Ref: GJ/D/IS

Report No: F-026-F

## Appendix B

1. As creatures of legislation every local authority in Scotland has only such powers as Parliament has given them, and they operate under any and all restrictions imposed upon them by legislation. Some statutory powers allow the Councils some flexibility and latitude (for example, the power to enhance well-being), whilst others have a more closely defined scope. Where there is a restriction imposed by Parliament, that will be strictly interpreted by the courts.
2. The question posed of me is whether it is within the powers of this Council to invest in an electricity generation company. There does not appear to be a prohibition in the local government legislation on a local authority's generating electricity. Accordingly, it is probably lawful for Shetland Islands Council to generate electricity itself, or to participate in a company generating electricity, but only to the extent that the electricity was for the Council's own use. The prohibition which does appear in Section 170A(3) of the Local Government (Scotland) Act 1973 is (my emphasis) that "a local authority shall not be entitled to sell electricity which is produced otherwise in association with heat." Parliament clearly envisages that a local authority might lawfully operate a waste to energy plant, and produce and sell the electricity from that. Equally the section prohibits the sale by Shetland Islands Council of any electricity lawfully produced by it by any other means, including by wind generation.
3. Notwithstanding that, I have considered whether it would be possible for the Council to be a member of a limited company, whose purpose was the sale of electricity. This is a more complex issue.
4. Company law in Britain is codified in the Companies Acts, which dictate how companies are created, run and ended. The legislation creates the legal fiction of an entity, the limited company, which is separate from its shareholders or members. The limited company, not its members, is the legal person that has all the assets and liabilities of the company and enters into contracts in relation to the company's business and property. The members (or shareholders) of the company stand protected behind a "corporate veil". More than a century ago the House of Lords held that, regardless of the extent of a particular shareholder's interest in a company, and even though a shareholder might have sole control of the company and its affairs, the acts of the company were not the acts of the shareholder. Similarly, a legal prohibition on a company would not necessarily extend to the shareholder, and vice versa. The fact that one shareholder controls virtually all of the shares in a company is not a sufficient reason by itself for ignoring the quite separate and distinct legal personality of the company. The courts have consistently held that the corporate veil should not be lifted so as to attribute to the shareholders the rights or liabilities of a company.
5. Since a limited company and its shareholders are quite distinct persons in law, the view could be taken that the Council only has to invest in a company whose aim was to sell electricity. The Council might be the majority shareholder, but it would be the company selling the electricity.

6. My opinion is, however, that this may be an unsafe strategy. The corporate veil is not fixed in place; it flutters not only in the Kames wind but can be lifted by the courts in certain circumstances. There is uncertainty because there is no single criterion for recognising or predicting when the courts will “peep behind” the veil and when they will allow the legal fiction to remain in place. A court will decide on the facts of each case before accepting that the power should be exercised. In general, a court will lift the corporate veil to achieve justice only where absolutely necessary. If the conduct of the member’s business through a limited company is considered to be ‘a device a sham, and a mask’ and an attempt to avoid some sort of restriction or duty on the member as an individual, it is likely that a court would say that the business of the company was in fact just the business of the individual members achieved through the agency of a limited company. Applying that approach to the current issue, there is in my opinion a fairly high risk that the courts would take the view that the reality of such an enterprise was that the Council was acting through the agency of the company solely to avoid the clear statutory restriction on local authorities selling of electricity.
7. My advice is, therefore, that the Council cannot itself sell electricity and further that it faces a risk of challenge, were it to be the majority shareholder in a limited company whose sole or primary aim is the sale of electricity.

Acting Divisional Manager – Legal

**APPENDIX A****WINDFARM DEVELOPMENT****Expenditure to date (6th July 2007)**

	<b>2007/08</b>	<b>2006/07</b>	<b>2005/06</b>	<b>2004/05</b>	<b>TOTAL</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Employee Costs</b>					
Basic Pay	10,302	35,294	-	-	45,596
Overtime	-	103	-	-	103
Pension	1,477	4,805	-	-	6,282
National Insurance	898	3,189	-	-	4,087
Islands Allowance	475	1,929	-	-	2,404
Allowances	-	100	-	-	100
<b>Sub-total</b>	<b>13,152</b>	<b>45,420</b>	<b>-</b>	<b>-</b>	<b>58,572</b>
					-
<b>Operating Cost</b>					-
Property & Fixed Plant	41,313	243,228	228,033	-	512,573
Supplies & Services	9,478	11,912	103,363	376	125,130
Transport & Mobile Plant	18,592	64,670	577	-	83,840
Transfer Payments	-	-	-	8,818	
Administration	7,089	30,013	-	10,563	47,666
Agency Payments	1,567	52,897	90,966	46,528	191,959
<b>Sub-total</b>	<b>78,040</b>	<b>402,721</b>	<b>422,939</b>	<b>66,286</b>	<b>969,986</b>
					-
					-
<b>Recharges In</b>		<b>61,648</b>	<b>138,887</b>	<b>102,647</b>	<b>303,182</b>
					-
					-
<b>TOTAL</b>	<b>91,192</b>	<b>509,789</b>	<b>561,826</b>	<b>168,933</b>	<b>1,331,740</b>





## **REPORT**

To: Shetland Islands Council

12 September 2007

From: Agricultural Development Officer

### **REPORT NO: DV036-F SHETLAND ANIMAL HEALTH SCHEME**

#### **1.0 Introduction**

- 1.1 The Animal Health Scheme, currently funded by Shetland Islands Council, and operated on the Council's behalf by Shetland Livestock Marketing Group (SLMG), has been examined by DEFRA and SEERAD officials, and the Economic Development Unit have been informed that in its current form it does not comply with State aid legislation. This revelation means that the Scheme has to be notified to the EC and questions have been raised about the way the Scheme is administered through a third party. These uncertainties have led to the conclusion that the only sure way to operate the Animal Health Scheme is to bring the service in-house, at least until such time as the State aid compliance of other means of delivery are fully understood.
- 1.2 DEFRA and SEERAD have indicated that a revised Shetland Animal Health Scheme, operated directly by Shetland Islands Council themselves as a subsidised service on animal welfare grounds will satisfy State aid requirements. In the light of this guidance the Shetland Animal Health Scheme has been submitted to DEFRA and SEERAD, and will be passed by them to the EC in early September 2007 for notification.
- 1.3 This report recommends that an EC-approved Shetland Animal Health Scheme is taken in-house by the Council for operation on behalf of the community by the Environmental Health Service.

#### **2.0 Links to Corporate Priorities**

- 2.1 The Shetland Animal Health Scheme contributes to Strengthening Rural Communities in Shetland, and Agriculture.

### **3.0 Background**

- 3.1 In the period 1989-1998 the Shetland Enzootic Abortion of Ewes (EAE) Protection Scheme operated in Shetland, with the Scottish Agricultural College (SAC) Veterinary Services being funded by the Council to undertake this work.
- 3.2 In 1998 the Shetland Animal Health Trust (SAHT) was formed with the intention of maintaining, promoting and improving the high health status of livestock from Shetland. SAHT took over the functions of the EAE Protection Scheme, and organised the blood testing of all sheep entering Shetland. SAHT received funding from the Council to undertake this work.
- 3.3 In November 2003 an Asset Transfer Agreement passed all SAHT responsibilities to the newly formed Shetland Livestock Marketing Group (SLMG). SLMG have subsequently received funding from the Council to operate the Scheme on behalf of the Council.
- 3.4 SLMG have broadened the scope of the Animal Health Scheme to include the following diseases / conditions:
- Enzootic Abortion of Ewes (EAE)
  - Maedi Visna (MV)
  - Caseous Lymphadenitis (CLA)
  - Scrapie
  - Bovine Viral Diarrhoea (BVD)
  - Tuberculosis
  - Brucellosis
  - Psoroptic mange (sheep scab)
  - Parasitic worm infestation.
- 3.5 In practical terms, testing for the above conditions involves a combination of blood tests and visual inspections by veterinary professionals. All stock entering Shetland falls under the remit of the Scheme, and furthermore there is an ongoing sampling regime amongst resident flocks and herds for EAE, MV and BVD.
- 3.6 Following recent scrutiny by DEFRA and SEERAD officials of the Animal Health Scheme, the Council's Economic Development Unit have been informed that the current arrangement whereby a third party operates an un-notified Scheme on behalf of the Council is not compliant with State aid legislation.



- 3.7 These same government officials indicated however that a suitably drafted Shetland Animal Health Scheme could be notified to the EC, and would be likely to be accepted, provided that the Scheme was clearly operated by the Council itself, on an all-inclusive basis, by means of subsidised services, and not involving direct payment of money to producers. There remains uncertainty within DEFRA and SEERAD as to whether a notified Scheme, operated by an independent third party on behalf of the Council, would satisfy the terms of State aid legislation. In order to ensure continuity of service provision, and not render all the work undertaken in previous years meaningless, it is essential that the Scheme be notified in the manner most likely to be accepted without question or delay. There would then remain the potential in future for the Council to re-evaluate the manner in which the Scheme is delivered.
- 3.8 The Agricultural Development Officer has, in close consultation with DEFRA and SEERAD, drafted a Shetland Animal Health Scheme (see Appendix 1). DEFRA aim to submit this to Europe in the first week of September 2007, and indicate that official sanction of the Shetland Animal Health Scheme may be expected in a matter of a days or weeks. It is expected that on 1 October 2007 the Shetland Animal Health Scheme can commence under the aegis of the Council.
- 3.9 In the process of drafting the Scheme, the Council's Environmental Health Service have been consulted and have confirmed that they are prepared to operate the Shetland Animal Health Scheme. SLMG have also been kept abreast of developments as they have occurred, and have accepted the necessity for the Scheme to be brought within the Council.

#### **4.0 Proposals**

- 4.1 The Shetland Animal Health Scheme will be operated by the Council's Environmental Health Service from 1 October 2007. The costs incurred by this (see 5.0 Financial Implications below) will be funded by the Economic Development Unit.
- 4.2 The Executive Director Infrastructure or his nominated representative be given delegated authority to appoint to a newly created post of Animal Health Scheme Officer; to prepare and submit funding bids; and to market the scheme as appropriate. The Service Manager (Environmental Health) has created a Job Profile and Person Specification for the post of Animal Health Scheme Officer (see Appendix 2). The Service Manager (Environmental Health) will consider prior to advertising whether the post can be delivered on a part-time basis by reorganising administration tasks within the Service – any savings made through this approach will be notified immediately to the Economic Development Unit. Due to time constraints there has not been time for this position to go before JCC. However, Union representatives have been consulted and have not raised any objections to the proposals.

- 4.3 The existing Shetland Animal Health Advisory Panel which currently reports to the SLMG Board will be disbanded, and the Service Manager (Environmental Health) will convene and Chair an Operational Group to ensure good communication with all operational partners so that the Scheme continues to be effective in maintaining Shetland's disease-free status.
- 4.4 The Service Manager (Environmental Health) will prepare an annual report for the Agricultural Panel, and will present any further reports on health issues and the functioning of the Scheme at the request of the Panel.

## **5.0 Financial Implications**

- 5.1 Based upon the most recent (2006/7) figure, the Animal Health Scheme was allocated a budget of £46,682.
- 5.2 Following consultation with Dr Sandy Clark, Disease Surveillance Centre Manager for SAC, and Maggie Dunne, Service Manager (Environmental Health), it is proposed to take this opportunity to extend the remit for Caseous Lymphadenitis (CLA) from visual checks to blood testing for all tups and ewes imported into Shetland. Based on 2006 figures, this will involve testing (£4 per animal) approximately 550 animals twice, once at time of import and once 6 months later. This will add £4,400 per annum to the overall cost of testing.
- 5.3 For practical purposes, it is proposed to bring Bovine Viral Diarrhoea (BVD) testing to the SAC laboratories which currently undertake all other blood testing for the Animal Health Scheme. BVD testing is currently undertaken by Biobest laboratories. Addressing this historic anomaly will cost £250.
- 5.4 In the past, SLMG have organised animal health-related speaker meetings, and in so doing have required additional funding from the Council. It is proposed that such educational / promotional work will continue to be a core part of the Shetland Animal Health Scheme, and an annual budget of £1,500 be allocated for this.
- 5.5 It would be prudent to allow for an annual contingency fund of £20,000 to cover any additional costs that may be incurred at short notice in the event of a major disease outbreak, such as Foot & Mouth Disease. Under such circumstances time is of the essence in enhancing biosecurity and containing disease spread, and delays incurred in clearing proposed spending could prove costly.

5.6 The post of Animal Health Scheme Officer is graded AP4, and will incur an annual cost of £25,269 inclusive of island allowance. It is not possible to absorb this additional workload and costs within Environmental Health.

5.7 In summary, the annual cost of the Shetland Animal Health Scheme will be as follows:

Cost of testing	:	£51,332.00
Educational / promotional work	:	£ 1,500.00
Contingency fund	:	£20,000.00
Animal Health Scheme Officer	:	<u>£25,269.00</u> *
<b>Total</b>	:	<b><u>£98,101.00</u></b>

This is an additional cost of £51,419 on the existing arrangement with SLMG. The additional cost will be funded from the Economic Development Unit Agricultural General Assistance budget (RRD11332402). \* Should the post be part-time (see paragraph 4.2) it is estimated that this figure will be 60% of the full-time cost, i.e. £15,161.00.

## **6.0 Policy and Delegated Authority**

6.1 The Economic and Development policies adopted by the Committee on 9 December 2003 [Min Ref 34/03] and by the Council on 17 December 2003 [Min Ref 161/03] contain the following relevant policies:

2.5.3 “Supporting the retention and promoting the sustainable growth of key rural industries including agriculture”

3.1.2 “Generate improved product quality and greater efficiency of production in all agricultural sectors”

3.1.4 “Maintain and enhance the high health status of Shetland livestock”

6.2 This report is being presented to the Council because it recommends increasing the establishment of the Environmental Health Service.

6.3 The proposals outlined above will only proceed upon receipt of State aid clearance in the form of a notified and accepted Scheme.

## **7.0 Observations**

- 7.1 The benefits of this ongoing Scheme are primarily related to animal welfare. However, as a consequence there are practical benefits for farmers and crofters in terms of husbandry and associated veterinary work, and indirectly there is a financial saving by ensuring that disease does not enter individual flocks and herds. Furthermore, Shetland livestock currently benefits from an elevated perception outwith Shetland on account of its high health status, and this provides indirect advantages in terms of sales and marketability.
- 7.2 Currently a bye-law exists rendering it compulsory by law for all sheep entering Shetland to be examined for psoroptic mange (sheep scab). Attempts to extend this legal requirement to other animal diseases have proved futile, due to a number of difficulties, not least that this might infringe EU trading regulations, and the Scottish Executive are not prepared to expand on their previous decision. However, new legislation regarding zoonoses (animal diseases that can cross the species barrier from livestock to humans) may offer scope to enact bye-laws for compulsory blood-testing of stock entering Shetland for diseases such as EAE and CLA. This would have a positive effect on the budget allowed for the Shetland Animal Health Scheme, as the need for the Council to fund this testing would be removed.

## **8.0 Conclusions**

- 8.1 The Animal Health Scheme has performed a vital role in animal welfare in Shetland, with subsequent positive implications for Shetland's livestock producers.
- 8.2 The Shetland Animal Health Scheme will, when approved by the EC, continue and build upon this important work in a legally sanctioned fashion, ensuring a seamless transition from the current scheme.

## **9.0 Recommendations**

- 9.1 I recommend that the Council approves:
  - a) Bringing the operation of the Shetland Animal Health Scheme within the remit of the Council's Environmental Health Service;
  - b) The establishment of the post of a dedicated Animal Health Scheme Officer;
  - c) The appointment of a dedicated Animal Health Scheme Officer;
  - d) The budget specified in paragraph 5.7;

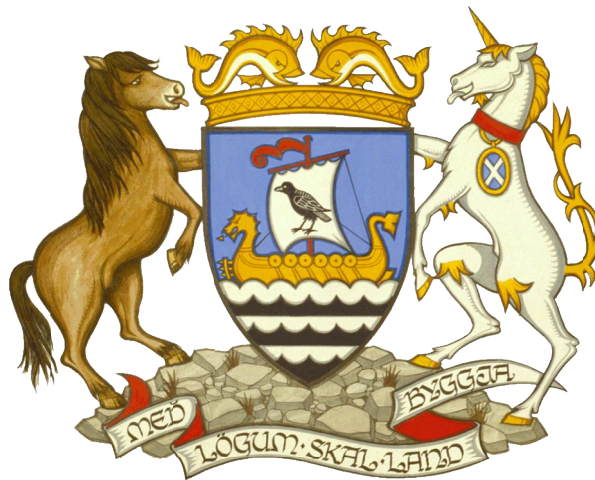
- e) The arrangements for setting up an Operational Group chaired by the Service Manager (Environmental Health), and;
- f) That the Service Manager (Environmental Health) reports annually to the Agricultural Panel as requested to address specific issues.

Our Ref: JD/JJ  
Date: 03 September 2007

Report No: DV036-F



## Shetland Animal Health Scheme



### Scheme Details

## Section One

### **Aims and Objectives / Duration of Scheme**

The Shetland Animal Health Scheme (SAHS) is designed to provide a screening service for a range of livestock diseases at the point of livestock entry into Shetland. This Scheme is all-inclusive, and ensures that all stock entering Shetland is tested for the selected diseases. The Scheme is provided as a service for the agricultural community at large, and makes no charge nor levy for testing of imported stock - Aid provided under this scheme is granted in kind by means of subsidized services, and will **not** involve direct payment of money to producers.

By testing imported livestock for disease, the principle aim of SAHS is to sustain disease-free, High Health status of Shetland's sheep and cattle, thereby meeting all of the following Objectives:

- To reduce production costs
- To improve or redeploy production
- To improve quality
- To preserve and improve the natural environment, hygiene conditions and animal welfare standards.

### **Duration of Scheme**

The Scheme will open to applications on 1 October 2007, and will run until 31 March 2012.



## **Section Two**

### **Eligibility for Assistance**

Shetland Islands Council will operate SAHS pursuant with Community Veterinary Legislation, and pursuant to block exemption 1875/2006 Chapter 2 Article 10 “Aid in respect of animal and plant diseases and pest infestations”.

### Section Three

#### Eligible Works

Shetland Islands Council (SIC) will pay 100% of the costs associated with veterinary surgeons examining and testing livestock imported into Shetland for the following diseases / pests, as mentioned in the list of animal diseases established by the World Organisation for Animal Health and/or in the annex to Council Decision 90/424/EEC:

- Enzootic Abortion of Ewes (EAE)
- Maedi Visna (MV)
- Caseous Lymphadenitis (CLA)
- Scrapie
- Bovine Viral Diarrhoea
- Tuberculosis
- Brucellosis.

Following SIC normal procurement rules, veterinary surgeons involved in the examination and testing program in Shetland will be paid on a quarterly basis upon submission of a report containing the following details:

- Dates and numbers of animals tested
- Details of any positive tests, and remedial action taken by the animal(s) owners
- Invoice for services rendered.

If during the screening for the diseases listed above in the Eligible Works the veterinary surgeons suspect that livestock may be affected by worms, scab or other ectoparasites test for these conditions would also be carried out.

SAHS will be administered and directed in its entirety by Shetland Islands Council.

#### Ineligible costs

Shetland Islands Council will **not** pay any of the costs incurred in the event that an animal has to be destroyed as a result of testing positive for disease. Under these circumstances the producer to whom the animal belongs will bear the costs of destruction and disposal of the animal in question.

Similarly, should an animal prove to be affected with ectoparasites, Shetland Islands Council will **not** pay any of the costs associated with recommended treatment for the condition. These costs will be borne by the producer to whom the animal belongs.

## **JOB PROFILE**

### **POST TITLE: Animal Health Scheme Officer**

### **POST NO:**

The post of Animal Health Scheme Officer is responsible, through the Service Manager – Environmental Health, for the implementation, delivery, administration, monitoring and promotion of the Shetland Animal Health Scheme.

The post holder will be required to exercise the necessary expertise and judgement to ensure that the Shetland Animal Health Scheme is effective in maintaining Shetland's disease free status and will pursue the appropriate action to secure the voluntary compliance, co-operation and participation of the agricultural community.

The post holder will be required on occasions to act as lead officer in seeking negotiated solutions to complex and sensitive cases, through communication with Veterinary Surgeons, Scottish Agricultural College (SAC) and the livestock producers concerned.

Specific tasks of the Animal Health Scheme Officer include:

- To promote the Shetland Animal Health Scheme with industry bodies, Port Staff, the agricultural community and the press to secure productive working relationships.
- To prepare and issue blood testing schedules to Veterinary Practices and monitor practices' compliance with the schedules.
- To monitor Blood Test results to ensure early identification and resolution of disease incidences;
- To consult with SAC and Veterinary Practices to agree the appropriate response to a disease outbreak;
- To communicate the necessary action to the keeper of an infected animal and monitor compliance;
- In the event of a disease outbreak identify and trace all possible contact animals to arrange testing;
- To validate and process requests for payment from Veterinary Practices and Laboratories;
- To monitor and manage the Animal Health Scheme budget
- To raise the profile of the Shetland Animal Health Scheme outside Shetland;
- Explore options for Byelaws for other compulsory disease testing at the Pier beyond Sheep Scab;

- To deliver an advisory and education service to the wider community in respect of animal disease control including producing information leaflets and press articles and holding public meetings;
  - To develop and implement an education and information regime for livestock markets, ports and harbours and agricultural shows;
- To maintain awareness of animal health issues and undertake research into the feasibility of additional disease control schemes;
- To maintain contact with SERPID and SVS to explore alternative funding streams for existing and future disease control schemes;
- To keep abreast of the implications of changes to relevant legislation, national guidance and good practice in order to maintain and improve the scheme;
- To assist the Service Manager Environmental Health and other Environmental Health Staff in responding to notifiable disease outbreaks in livestock and the development and implementation of contingency plans for those diseases.
- From time to time, the Council may require the post holder to undertake duties other than those specified

## PERSON SPECIFICATION

**Post Title: Animal Health Scheme Officer**

**Post No:**

	<b>ESSENTIAL</b>	<b>DESIRABLE</b>
<u>Personal Features/Qualities</u>	<p>Vision, energy and initiative</p> <p>Personal motivation and self disciplined</p> <p>Capacity to work under pressure to strict deadlines</p>	
<u>Relevant Experience</u>	<p>A minimum of three years previous experience of working with the public</p> <p>Experience in achieving negotiated solutions to complex situations involving sensitive issues</p>	<p>Understanding of animal movement legislation</p> <p>Experience of working in a public sector regulatory or enforcement service.</p>
<u>Education</u>	<p>Educated to degree level in a relevant subject or equivalent</p>	<p>Consideration will be given to candidates with a lesser qualification who can demonstrate three year relevant practical experience.</p>
<u>Skills, Abilities and Knowledge</u>	<p>Good oral and written communication skills</p> <p>Well developed interpersonal and presentational skills</p> <p>Comprehensive working knowledge of Animal Health and animal diseases</p>	<p>Experience in the use and application of computerised information management systems e.g. FLARE or MS Access</p>





## **REPORT**

**To: Shetland Islands Council**

**12 September 2007**

**From: Head of Finance  
Executive Services Department**

### **REPORT NO: F-025-F MANAGEMENT ACCOUNTANCY SERVICE– RESTRUCTURING REPORT**

#### **1.0 Introduction**

- 1.1 The Management Accountancy Service remit in terms of the requests made upon it and the services provided by it has changed considerably over the past few years and it has been recognised that there is a need to change the current structure and staffing complement to meet ongoing changes plus any future challenges.
- 1.2 The aim of this restructuring exercise is to strengthen the service, make service improvements and ensure an appropriate work-life balance is achieved for staff.

#### **2.0 Links to Corporate Priorities**

- 2.1 This report links to the Council's corporate policies, defined in its Corporate Plan in relation to ensuring that the Council has proper management accounting resources in place to ensure that there is efficient use of resources, that the Council meets best value requirements and has the ability to properly plan, assess and prioritise resources to achieve the Council's plans. It also links to commitments to its staff ensuring high standard leadership and management, learning and development opportunities, a healthy workplace and to recognise and value employee's contributions.

#### **3.0 Background**

- 3.1 Management Accountancy plays a key role within the Council in the provision of financial management information and advice to Budget Responsible Officers (BROs), Executive Management Team, Councillors, External Bodies and the Scottish Executive.
- 3.2 The Service continually works at improving and enhancing financial management services to the Council and its staff alongside increasing demands both internal and external to the Council.

- 3.3 Temporary staffing arrangements have been in place since August 2005 following a number of voluntary redundancies including two tiers of management. Direct line management is now provided to the current Management Accountant by the Head of Finance. The existing staffing complement (set out in Appendix A) consists of 8.41 FTEs consisting of 1 Management Accountant, 4.41 Senior Assistant Accountants (one of which is the asset registrar), and 3 Assistant Accountants.
- 3.4 The current structure is flat with a heavy reliance on cover and experience from the current Management Accountant. There is no capacity to meet the current or future needs from this Service at a time when the Council has an increased requirement for corporate financial management. Any new structure has to be robust to maximise service delivery to departments and be flexible to meet increasing demands.
- 3.5 Discussions with service departments and staff within Management Accountancy clearly indicated that the current structure cannot meet the needs of the internal departments or external bodies. There is a need for more time to be spent on providing both focus and direction for the service into the future and a need for more Management Accountants to provide regular high-level financial assistance to departments to achieve their plans. The current structure and staffing complement is not able to do justice to either of these activities nor is the work expected of staff currently at a sustainable level.
- 3.6 The workload of Management Accountancy has steadily been increasing in both complexity and volume; additional burdens have been added year on year, but there has been no corresponding increase in staffing, numbers have indeed reduced. Additional work has been generated from a number of sources: -
- the Scottish Executive has increased activities to be performed by Council departments with new initiatives and funding, all of which require input from Management Accountancy at various stages i.e. in the application for funds, the agenda management of reports to Council, the set up of budgets and the ongoing quality assurance of the accounts, the monitoring year on year of activities and funding requirements/requests and the verification of returns;
  - increased management information, advice and monitoring has been growing in line with the increasing service provision in departments and with the changing of activities within departments due to the changing internal and external environment in which the Council conducts business;
  - the additional requirement from the Scottish Executive to become more efficient and monitor activities, examples of this include efficient government, capital funding for spend to save projects, the additional performance indicators, spending pressures returns, the changes to the main Council returns POBE/LFRs for more detailed and extensive information, ensuring “following the public pound” is undertaken etc;
  - the additional requirement from Audit Scotland Best Value Review/HMI inspections to increase financial information throughout the Council to better inform decision making and improve financial abilities of Budget Responsible Officers through training;
  - the financial position of the organisation has changed, funding available for both capital and revenue has been constrained year upon year against the increasing demand for Council services, this has resulted in additional corporate input and exercises to reduce budgets and make savings but try to



- maintain and increase services in line with demands; it has been crucial to increase the attention to financial detail through monthly monitoring, agenda management, utilisation of additional funding etc;
- increasing accountability of BROs, the linking of service planning to financial planning and the financial constraints which exist have resulted in a more complex annual budgeting exercise, requiring additional input and time spent by Management Accountancy to complete this;
- throughout the year the amount of corporate monitoring required to achieve Council aims, including upholding and ensuring adherence to corporate policy and financial regulations have increased as a result of the financial constraints on the Council;
- additional burdens but within stricter timetables, for example the final accounts, has resulted in Management Accountancy taking a greater role in year end activities to meet deadlines e.g. clearance and balancing of ledgers, advice on accruals or providing accruals (in particular for additional funding), producing final accounts for Valuation Joint Board and now ZetTrans a new body etc;

## 4.0 Proposal

- 4.1 The current structure within Management Accountancy is outlined in Appendix A and the proposed new structure is attached as Appendix B. This proposal was presented to and approved by Executive Management Team on 21 August as the way forward to meeting departmental, corporate and external needs.
- 4.2 It is proposed that the existing Management Accountant take on a Service Manager role, to both consolidate that work already being undertaken, but also in recognition of her knowledge, skill and experience. This post is, and will be in future the nominated Section 95 officer (statutorily responsible for ensuring proper financial administration of the Council) in the absence of the Head of Finance. The Service Manager will add to and enhance the service providing good and considered advice to ensure activities are more effective and provide quality assurance to activities being carried out. The grade of the Service Manager post is proposed at PO13-16 (subject to confirmation through the Council's Job Evaluation process) commensurate with the duties proposed.
- 4.3 Within Management Accountancy, in order to be as robust, provide sufficient cover and meet departmental requirements, at an appropriate level, I am proposing that two Management Accountant posts, graded PO5-8 (subject to confirmation through the Council's Job Evaluation process), are created and remove one of the existing Senior Assistant Accountant post (which becomes vacant in December). Each Management Accountant will manage a team of staff, one covering Education and Social Care (including the College), the other Infrastructure and Executive (including Ports/Economic Development Unit). Each team will be focused on their particular area ensuring that knowledge and expertise of staff covering the area will be spread amongst a team rather than provided by one individual, which is the current practice. Although staff are allocated to a team and the majority of their activities will be for that service area, from time to time they will be expected to undertake other duties to ensure that there is flexibility to respond to changing demands.

- 4.4 Management Accountancy staff have been consulted on the proposal and there have been no formal or informal objections. The JCC Union Representatives have been consulted, no particular comment has been made other than they wish to see the report at the next JCC should Council approve the report. This is an exception to the normal process in order not to delay the implementation process any longer than necessary.

## 5.0 Financial Implications

- 5.1 There will be an increased cost as a result of the change in staffing structure. The maximum full year cost will be an increase of £45,205, with the cost in 2007/08 no more than £19,904, which can be met from within Finance department budgets from staffing and other savings already identified for 2007/08. However it should be noted that, over the last 2 years in this area, 3 posts have been removed which resulted in an annual saving of £122,610.

Summary of Additional Cost of new Structure for 2007/08	2007/08 Additional Cost £
Service Manager	1,625
2 Management Accountants less 1 Senior Assistant Accountant	18,279
TOTAL	19,904

- 5.2 Finance Services have continually reviewed their activities to achieve savings; as well as those mentioned above, savings have been made across all service areas within Finance e.g. shared post between Treasury and Audit, revised staffing structures in Revenues etc. This is an ongoing process and Finance Service is committed to finding future savings to meet the additional cost of this crucial function through streamlining activities.

## 6.0 Policy and Delegated Authority

- 6.1 Authority for changes to structure to improve service delivery, which results in ongoing additional cost, requires approval of the full Council.

## 7.0 Conclusion

- 7.1 This proposal is recommended by Executive Management Team and will provide a better focus and service in line with Departmental and external needs, at a more appropriate level, providing greater financial advice, understanding, management and control across the Council and provide capacity to meet growing service demands. The result will be more experienced and knowledgeable staff to provide services required by Departments and will also identify a particular person as a first

point of contact i.e. the new Management Accountant for each area. This will lead to consistent financial advice and assistance to a department at a high standard, ensuring that there is the same direction and focus plus more individual contact time with an increase in resources.

## **8.0 Recommendations**

- 8.1 I recommend that the Shetland Islands Council approve the proposals as set out in Section 4 and paragraph 5.1 of this report.

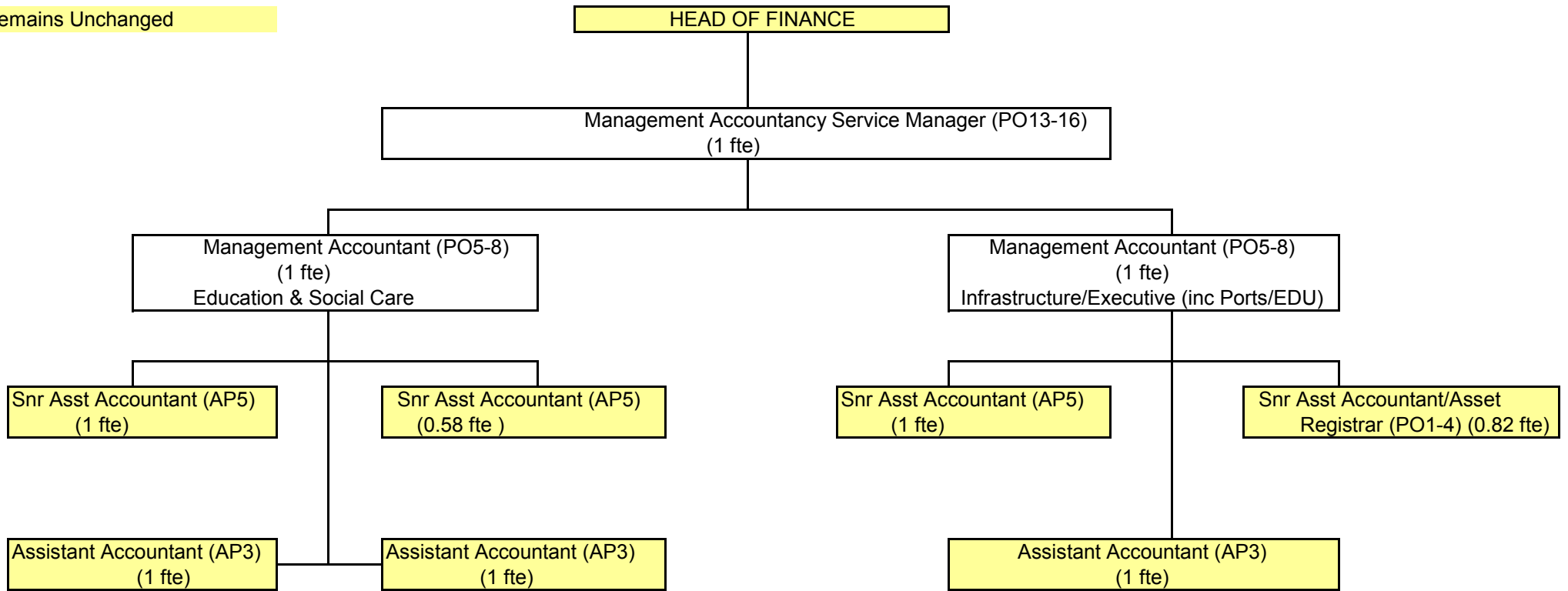
Report No: F-025-F

Ref: GJ/HKT

Date: 3 September 2007

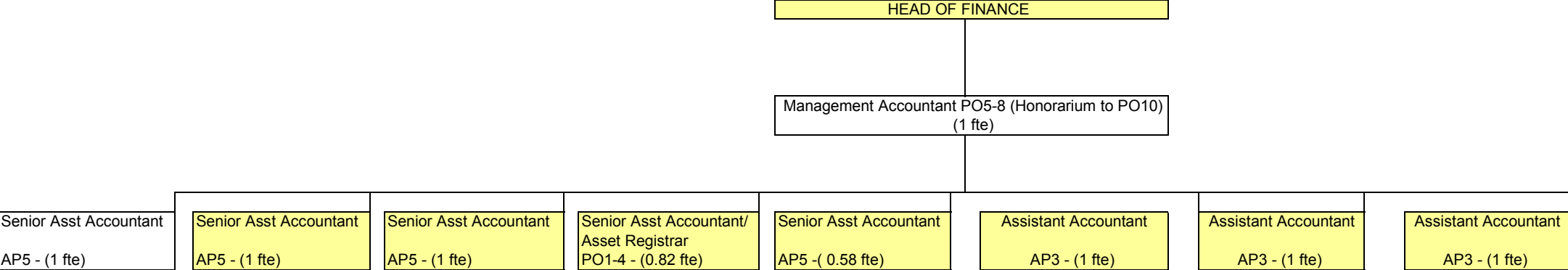


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## **REPORT**

**To: Shetland Islands Council**

**12 September 2007**

**From: Head of Finance Services**

### **Fund Manager Review 2006-07** **Report No: F-027-F**

#### **1. Introduction**

- 1.1 The purpose of this report is to inform Members on the position and performance of the Council and the Pension Fund's external investments with fund managers.
- 1.2 The Council has four fund managers with total investments, under management at the end of March 2007, of £279 million. The Pension Fund has one fund manager who has £211 million under management.
- 1.3 In non-election years Members formally review fund manager performance at special meetings, which normally take place at the end of May. Typically officers present a covering/background report and Mr George Urquart of the WM Company analyses performance relative to the markets before the Fund Manager presents to the Members and answers any Member's questions.
- 1.4 This year, being an election year, it was not possible to follow the normal review process. This coupled with our view that there are not any new areas requiring an immediate decision, has resulted in this report in this format.
- 1.5 I will review each fund manager in turn and compare their performance against the market performance where they were asked to invest and also against the additional out performance target we asked them to achieve.

- 1.6 Due to the nature of the investments these managers are investing into, we take a long term investment view, generally a five year period. I will therefore not only look at each manager's performance over 2006/07 I will also look at their performance over a five year period or from the inception of the mandate if that is shorter.

## 2. Links to Corporate Priorities

- 2.1 This report links to the Council's corporate priorities, defined in its Corporate Plan, specifically in relation to assisting the Council in ensuring the financial resources are managed so that the Council can sustain and develop the economy.

## 3. Background

- 3.1 The external investment of the Council funds and the Pension Fund (ie other than those invested in the local economy) are co-ordinated by the Council's Treasury function. The Charitable Trust's reserves, although not covered by this report, are also co-ordinated by the Council's Treasury function. This approach delivers a unified approach; ensures that all the funds benefit from the knowledge and experience of Council Officers; and provides useful comparisons.
- 3.2 The Funds, their managers, type of mandate and market value are listed below:

Body	Fund	Manager	Mandate	Market Value (£m)	
				2007	2006
SIC	Capital	Baillie Gifford	Bonds	72	77
SIC	Miscellaneous	Insight	Bonds	38	42
SIC	Miscellaneous	Henderson	Equity	80	79
SIC	Miscellaneous	Baillie Gifford	Equity	89	89
<b>Total</b>				279	287
Pension	Pension	Capital International	Equity and Bonds	211	190
<b>Total</b>				490	477

- 3.3 The Miscellaneous Funds mentioned above are made up of the Renewals and Repairs Funds; the Reserve Fund; the Marine Fund; and the Insurance Fund.
- 3.4 During 2006/07 the value of the Council funds decreased by £8 million. In contrast the value of the Pension Fund during 2006/07 increased by £21million.

- 3.5 In the main, this report concentrates on manager performance relative to the markets but we also need to consider the effect of any cash withdrawals or injections to the funds and the performance of the markets themselves. These influences can easily alter the absolute fund value.
- 3.6 The following table shows the effect on the fund due to withdrawals/additions and the market movement.

	SIC Funds	Pension Fund
	£ million	£ million
As at 31.03.06	287	190
(Withdrawals)/Additions	(20)	5
Market Movement	12	16
As at 31.3.07	279	211

The above table shows the market movement was beneficial with both the bond and equity markets closing the year at higher levels. The equity markets performed particularly well and this is evident with the Pension Fund's larger market movement as this fund has a larger percentage of equities.

The withdrawals from the SIC Funds were greater than the gains from the markets, these withdrawals are required to cover the Council's revenue deficit and Capital works programme. The Pension Fund's additions are due to the difference between the employer and employee contributions versus pension payments.

- 3.7 The 2006/07 market performance by asset class is set out below:

		%
Equities:	UK	11.1
	North America	-0.9
	Europe	12.4
	Japan	-9.9
	Pacific (Ex Japan)	12.3
	Emerging	9.4
Bonds:	UK	0.5
	Overseas	-5.1
	Index-Linked	3.0
Property		15.6
Cash		4.9

- 3.8 This report reviews performance in 2006/07; a quick update for this financial year 2007/08 does not look so good. There are currently mortgage problems in America, which has caused a tightening in bank lending from the worlds major banks. This has now caused concern throughout the various markets in the world. As at the 17<sup>th</sup> August the FTSE 100 was down 3.9%, the SIC funds had a value of £263 million and the Pension Fund £205 million.

#### **4. Fund Manager Review**

- 4.1 The rest of this report takes each mandate in turn and discusses manager performance.
- 4.2 A Fund Manager's performance is measured against a specific fund benchmark, which is made up of market indices of the countries where they invest.
- 4.3 A Fund Manager's target is a level of out performance above the benchmark that is seen as achievable with a low level of measured risk on a given mandate. The Manager will actively seek to produce investment returns in order to achieve the stated target. Performance at or above target is desirable but any returns above the benchmark will add value to the fund above the market return.

#### **4.4 SIC Capital Fund – Baillie Gifford**

- 4.4.1 The Capital Fund is currently restricted to investments allowed under the Trustee Investment Act 1961. In effect it can be only invested in certain bonds and cash. The Local Government in Scotland Act 2003 has now vested in Scottish Ministers the power to make new investment regulations for local authority funds, which it is hoped will allow the Council Funds to be invested under similar regulations as a Scottish Local Government Pension Scheme. At present we are waiting for the new legislation, which is being drafted for Ministerial approval before it is proposed to the Scottish Parliament.
- 4.4.2 Baillie Gifford's benchmark for this fund is based on 90% bonds and 10% cash. Their performance target for this fund is to beat this specific benchmark by 0.5% per annum (0.3% up to 31<sup>st</sup> March 2003).

- 4.4.3 The following table sets out in summary the performance of Baillie Gifford and Co versus the benchmark and the performance target.

**Fund Performance versus Benchmark and Target**

	Fund Return (%)	Performance v Benchmark (%)	Performance v Target (%)
2006/07	1.0	0.2	-0.3
Five years 01/02 to 05/06	27.2	0.9	-1.4

The performance v benchmark figure gives the percentage that the fund has out or under performed the benchmark return (market indices).

The performance v target figure gives the percentage that the fund has out or under performed their set target.

- 4.4.4 The Capital Fund grew by 1.0% in 2006/07, which was slightly above the benchmark return by 0.2% but they did not achieve the target set by the Council. Baillie Gifford has therefore added real value to the fund above the market return although it is slightly disappointing that they have not achieved the target.
- 4.4.5 On a cumulative basis over the five year rolling monitoring period Baillie Gifford are above the benchmark return, but currently below the target.

**4.5 SIC Miscellaneous Fund – Insight**

- 4.5.1 Insight Investment Management bought Rothschild Asset Management during 2002/03. Rothschild was initially appointed by the Council to manage this fund in 2000/01 with performance monitoring against the benchmark commencing on 1 April 2001. The former Rothschild bond team became the bond team for the new entity with very little disturbance. The Council accepted the recommendation of its Investment Consultant, Hymans Robertson, as endorsed by its officers, to leave this mandate with the new entity.
- 4.5.2 Insight's benchmark for this fund is based on 80% bonds and 20% cash. Their performance target for this fund is to beat this specific benchmark by 0.5% per annum.

- 4.5.3 The following table sets out in summary the performance of Insight versus the benchmark and the performance target.

**Fund Performance versus Benchmark and Target**

	Fund Return (%)	Performance v Benchmark (%)	Performance v Target (%)
2006/07	2.3	0.5	0.0
Five years 01/02 to 05/06	31.3	1.8	-0.7

The performance v benchmark figure gives the percentage that the fund has out or under performed the benchmark return (market indices).

The performance v target figure gives the percentage that the fund has out or under performed their set target.

- 4.5.4 The Miscellaneous Fund with Insight grew by 2.3% in 2006/07, which was above the benchmark return by 0.5% and equal to the target set by the Council. Insight have therefore added real value to the fund above the market return and achieved the performance target.
- 4.5.5 On a cumulative basis over the five year rolling monitoring period Insight is well above the benchmark return, but below the target.

**4.6 SIC Miscellaneous Fund – Henderson**

- 4.6.1 A review of this mandate was conducted in March 2006 and the Council decided (min ref 45/06) to test this mandate against the market. This decision was based on various issues relating to performance, changes in management team and changes in the overseas investment processes.
- 4.6.2 Henderson Global Investors had made sweeping changes six months before to the personnel in their UK stock picking team, they had changed the way they invest in North America, Japan and the Pacific Basin to try and improve their performance returns. We were left with a Fund Manager who was still underperforming the market with a new unproven investment team and a different process for investing overseas which was not our original intention.
- 4.6.3 We conducted a tender exercise on this mandate with the Council deciding (min ref 02/07) to award the mandate to GMO Fund Managers. We have just completed the transfer of this mandate to GMO.

- 4.6.4 In light of the decision to go to the market with the mandate and the change of fund manager I do not intend to review the performance of Henderson apart from stating they were equal to the benchmark return for 2006/07 but over the last five years they were 7.6% below the benchmark return.

#### 4.7 SIC Miscellaneous Fund – Baillie Gifford

- 4.7.1 Baillie Gifford's benchmark for this fund is based on 75% UK Equities, 23% Overseas Equities and 2% cash. Their performance target for this fund is to beat this specific benchmark by 1.5% per annum.
- 4.7.2 The following table sets out in summary the performance of Baillie Gifford and Co versus the benchmark and the performance target.

##### **Fund Performance versus Benchmark and Target**

	Fund Return (%)	Performance v Benchmark (%)	Performance v Target (%)
2006/07	5.9	-3.2	-4.7
Five years 01/02 to 05/06	52.3	1.5	-5.8

The performance v benchmark figure gives the percentage that the fund has out or under performed the benchmark return (market indices).

The performance v target figure gives the percentage that the fund has out or under performed their set target.

- 4.7.3 Baillie Gifford had a very poor year in 2006/07 with the Miscellaneous Fund returning 5.9%, which was 3.2% below the benchmark return. This was a very disappointing performance from Baillie Gifford given their good long term performance in this mandate.
- 4.7.4 Even after this poor year Baillie Gifford are still above the benchmark return over the cumulative five year rolling monitoring period due to their good investment performance in previous years.

#### 4.8 Pension Fund – Capital International

- 4.8.1 The Council's Pension Fund is in a growth phase where income from Council and Employee contributions are projected to exceed expenditure for some time to come. Consequently, a long-term investment strategy is appropriate. This allows us to have a higher percentage of equity investments, which in itself produces a greater volatility of returns. Over the current mandate period this investment policy has proved beneficial with the fund up 92.4%.
- 4.8.2 Capital International were appointed by the Council to manage this fund in 2001/02 with performance monitoring commencing on 1<sup>st</sup> October 2002.
- 4.8.3 Capital International's benchmark for this fund is based on 60% UK Equities, 25% Overseas Equities, 15% bonds. Their performance target for this fund is to beat this specific benchmark by 1.0% per annum.
- 4.8.4 The following table sets out in summary the performance of Capital International versus the benchmark and the performance target.

##### **Fund Performance versus Benchmark and Target**

	Fund Return (%)	Performance v Benchmark (%)	Performance v Target (%)
2006/07	8.2	0.4	-0.6
Four and a half years Oct 02 - March 07	92.4	-0.5	-4.8

The performance v benchmark figure gives the percentage that the fund has out or under performed the benchmark return (market indices).

The performance v target figure gives the percentage that the fund has out or under performed their set target.

- 4.8.5 The Pension Fund with Capital International grew by 8.2% in 2006/07, which was above the benchmark return by 0.4% but they did not achieve the target set by the Council. Capital International have therefore added real value to the Pension Fund above the market return although it is slightly disappointing that they have not achieved the target.
- 4.8.6 On a cumulative basis over the five year rolling monitoring period Capital International is just below the benchmark return.



- 4.8.7 The Council decided (min ref 169/06) to have a £5 million Currency Fund and a £20 million Property Fund for the Pension Scheme. We have now completed the tendering exercises for these two mandates with the Council awarding (min ref 25/07) the Currency Mandate to Record Currency Management and the Property Mandate to Schroders. Record have now received their funds and started investing, Schroders have so far received £10 million with the balance to be transferred over the next couple of months. These amounts were transferred from Capital International's Fund.

## **5. Financial Implications**

- 5.1 Performance by a Fund Manager will have long-term financial consequences for the Council and the Pension Fund.
- 5.2 The performance of the Pension Fund manager may ultimately affect the contribution rate that the Council is required to make. This would be an additional cost/saving to the Council's Revenue accounts.
- 5.3 There are no decisions from this report, so there are no immediate financial consequences.

## **6. Policy and Delegated Authority**

- 6.1 Day to day responsibility for Fund Management is delegated to the Head of Finance of Executive Services Department and/or his nominees (SIC 25 July 1996 minute reference 97/96). The Council retains responsibility for appointing Fund Managers and for regularly reviewing and questioning a Fund Managers performance (min ref 97/96). This report provides that opportunity.

## **7. Conclusions**

- 7.1 Baillie Gifford (Capital Fund) out performed their benchmark in 2006/07 and they have also out performed the benchmark over the five year monitoring period. Although they have not reached the target they continue to add value to the fund above the market return.
- 7.2 Insight (Miscellaneous Fund) out performed the benchmark and achieved the target in 2006/07. Over the five year monitoring period they are well ahead of the benchmark although not at target. Insight have produced steady returns above benchmark over the five year period and continue to add value to the fund above the market return.

- 7.3 Baillie Gifford (Miscellaneous Fund) under performed the benchmark and the target in 2006/07. After this poor year they are still above the benchmark over the five year monitoring period, this shows the strength of their long term performance which has added value to the fund above the market return.
- 7.4 Overall the Council's fund managers are performing reasonably well over the current monitoring periods and they are all adding value to the funds above the market return over the long term. None of the Fund Managers are causing any concern, which we would need to bring to the Members attention at this time.
- 7.5 Capital International (Pension Fund) out performed their benchmark in 2006/07 but did not achieve the target. Over the four and a half year period of their mandate to date they are just below the benchmark return.
- 7.6 Due to our long term investment view on the Pension Fund resulting in higher equity holdings and therefore increased volatility we will see mixed results from Capital international. We maintain this long term investment view and are happy to continue with Capital International on this basis.

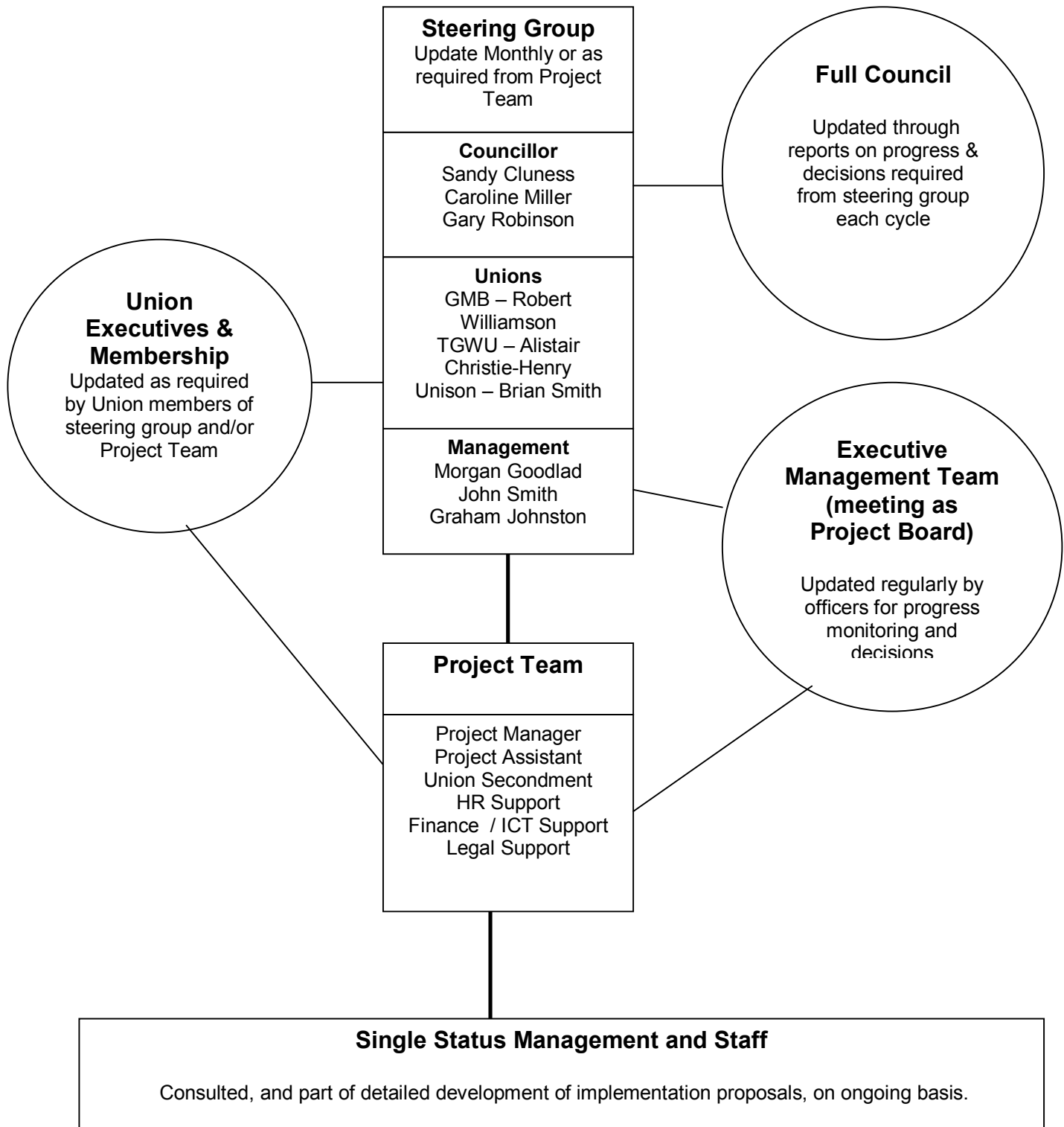
## **8. Recommendations**

- 8.1 I recommend the Council note with satisfaction the performance in 2006/07 of Insight (Miscellaneous Fund).
- 8.2 I recommend the Council note the performance in 2006/07 of Baillie Gifford (Capital Fund) and Capital International (Pension Fund).
- 8.3 I recommend the Council note with disappointment the performance in 2006/07 of Baillie Gifford (Miscellaneous Fund).

Date: 03 September 2007  
Rep No: F027F

CB/IS

## Single Status Project Structure



It is very important to keep lines of communication open and transparent for the Council to proceed with Single Status on the new basis

Councillors want to be involved, Unions have also indicated their willingness to put time and effort into developing the new solution, management must be fully engaged and we have to keep staff feeling consulted and informed.

To that end we have established a "Steering Group" with members, officers and Union officials on it. Chaired by the Convenor, giving all parties an open information exchange forum and sounding board. It will monitor progress, meet regularly keeping a note of each meeting.

Agreements, progress, issues, blockages etc. will be raised at this Steering Group, and they would be dealt with as far as possible there. Decisions on irreconcilable issues or significant choices ultimately become the responsibility of the full Council to make.

Executive Management Team take the place of the old Project Board, meeting separately for that specific purpose. It will give direction to officers in the project team and make decisions on progress, issues or options raised by them. Morgan Goodlad, Graham Johnston & John Smith will attend the Steering Group as representatives of this Board.

Union members report back to their executives and membership who also have the opportunity to be updated by members of the Project Team. Each Union involved in Single Status are represented on the Steering Group.

The Steering Group will report to Council each cycle by way of a formal report, and through seminar or presentation etc. by all members of the Steering Group if that was necessary; Members, Unions and Management running those events together. The steering group would consider the work programme and receive regular updates from the Project Team, at least once a month.

The Project Team is led by the single status project manager, with a full time assistant, and support from HR, Legal, Finance and other management and staff on a part time basis.

Unions have been asked to propose secondees to the project team, with the objective of all Unions being represented, and their being at least one full time equivalent member of staff participating in team work at all times.

Detailed engagement with line management and staff will vary throughout the project but a comprehensive set of briefings and other communications will be developed.

## Project Team Membership and Current Status.

Role	Name	Status / Comments
Project Manager	Jim McLeod	Full time
Project Assistant	Robert Erasmussen	Seconded full time from Personnel on ongoing basis from end July
Clerical Admin	Personnel Clerical	Part time support for clerical needs through access to Personnel Clerical staff
Union Secondment	John Leach – Unison	Full time secondment from mid August. – Project Team actions & support
Union Secondment	Robert Williamson – GMB	Full time secondment from point cover can be recruited – currently being advertised. – Project Team actions & support
Union Secondment	– TGWU	No proposals currently.
HR Support	Denise Bell	Corporate Quality Control & Executive Svs, Infrastructure & Ports Service Support alongside normal duties
HR Support	Marie Gordon	Education, College & Learning Services Support alongside normal duties
HR Support	Diane Thompson	Education, College & Learning Services Support alongside normal duties
HR Support	Emma Manson	Social Care Service Support alongside normal duties
HR Support	Clare Nisbet	Social Care Service Support alongside normal duties
HR Support	Graham Murray	Executive Svs, Infrastructure & Ports Service Support alongside normal duties
HR Support	Jackie Watt	Full time secondment from 1 <sup>st</sup> September - Workforce Development and Training co-ordination.
Communications	Peter Peterson	Newsletters, briefing materials and handbooks as required alongside normal duties.
Finance Support	Hazel Tait Janice Thompson Mary Smith	Costing and budget assistance as required.
ICT Support	Kevin Jones	Chris data extract and modelling as required.
Legal Support	Keith Adam	Legal advice as required
Project Board / Steering Group Liaison	John Smith Denise Bell	Reporting, EMT, Steering Group & Union liaison.

## Outline Timetable.

Phase	Task	Name	Status / Comments
Phase 1 - July - Sept	Construct job families' model and cost on "no losers" assimilation assumptions and variants.	Jim Macleod / John Smith	
	Informal Management Briefings.	John Smith / Jim Macleod + Team members	Ongoing
	Project Board Meetings	EMT	Each fortnight off EMT agenda.
	Steering Group Meetings	Steering Group Members	Each Month 3 <sup>rd</sup> August 5 <sup>th</sup> September
	Staff Communications	Newsletter + Relaunch Intranet Site	Newsletters start August start September
	Report to Council on 12 <sup>th</sup> September	John Smith	Data gathering completing
	Council update on cost / timescale, assimilation parameters etc. and advice on way forward	Council	
Phase 2 - Sept - Oct	Brief / train Service Management on JE, Job Families & Job Redesign	Project Team / Service Management	
	Meet Services individually to conduct Job Redesign & assimilation of staff to new model.	Project Team with services	
	Develop Shetland Job families	Project Team with Services	
	Confirm / amend terms and conditions	Project Team / Steering Group	
	Project Board Meetings	EMT	Each fortnight off EMT agenda
	Steering Group Meetings	Steering Group Members	Each Month end Sept / End Oct
	Staff Communications	Newsletter + updated Intranet Site + staff meetings	
	Report to Council on 31 <sup>st</sup> October	John Smith	
	Council Decision on way forward now	Council	

<b>Phase</b>	<b>Task</b>	<b>Name</b>	<b>Status / Comments</b>
<b>Phase 3 - Nov - Dec</b>	Brief / Consult with all employees through road shows / questionnaire / clinics / helpline on proposed offer	Services with Project Team	
	Project Board Meetings	EMT	Each fortnight off EMT agenda
	Steering Group Meetings	Steering Group Members	Each Month
	Staff Communications	Newsletter + updated Intranet Site + staff meetings	
	Report to Council 12 <sup>th</sup> December	John Smith	
	Council Decision on way forward now	Council	
<b>Phase 4 - January - Feb</b>	Officially make offer to employees taking into account any changes through consultation	Project Team	
	Union Ballots	Unions	
	Project Board Meetings	EMT	Each fortnight off EMT agenda
	Steering Group Meetings	Steering Group Members	Each Month
	Staff Communications	Newsletter + updated Intranet Site + staff meetings	
	Report to Council towards end Feb	John Smith	
	Council Decision on way forward now	Council	
<b>Phase 5 - March - April</b>	Implement	Everybody	
	Project Board Meetings	EMT	Each fortnight off EMT agenda
	Steering Group Meetings	Steering Group Members	Each Month
	Staff Communications	Newsletter + updated Intranet Site + staff meetings	
	Report to Council towards end April	John Smith	
	Council Decision on any follow up	Council	







## **REPORT**

**To: Shetland Islands Council**

**12 September 2007**

**From: Head of Organisational Development**

**Report No: CE-34-F**

### **Single Status Update**

#### **1 Introduction**

- 1.1 The purpose of this report is to set out progress and plans on the Single Status project.

#### **2 Background and Link to Corporate Priorities**

- 2.1 On 4<sup>th</sup> July 2007 the Council decided that Job Redesign & Job Families should be the basis of joint investigation by Management, Unions and Staff to determine the implications of that approach for progressing Single Status.
- 2.2 The key component of the single status exercise is to ensure that the Council as an employer meets its statutory equalities requirements.
- 2.3 Workforce development, and equalities in employment terms and conditions, are objectives in the Councils current improvement plan. Among the commitments to staff also set out in that plan are recognising and valuing employees' contribution and their consistent treatment. We also pledge to provide access to learning and development opportunities for all employees.

#### **3 Continuing Corporate Issues Facing the Council.**

- 3.1 Until single status is implemented the Council will be required to meet ongoing equal pay claims relating to bonus payments and this is estimated to cost the Council £60,000 compensation per month additional on the pay bill.
- 3.2 Another aspect of this process is the potential now created for 'equal value' claims based on the issuing of job evaluation scores even though these have been withdrawn for further review. Scenarios estimate this exposure could amount to £6 million back pay with £2

million or more additional to the annual pay bill. Clearly this would be defended whilst the ongoing process of further review is being progressed.

- 3.3 The Council has received further Equal Pay claims since July and is also in receipt of staff grievances relating to the differing application of terms and conditions to different groups of staff. These are being dealt with however the only fundamental conclusion to this exposure will be a Single Status settlement.
- 3.5 It continues to appear unlikely, based on the emerging experience of other authorities, that formal national union agreement is likely to be obtained for any proposals. This leaves the negotiation and implementation of a solution as an activity that still critically involves Unions as staff representatives, but also needs a clear understanding of the wider workforce's position on the acceptability of any future proposals.

#### **4 Progress Since July**

- 4.1 Following the decision of Council in July a Single Status Steering group and Project Team have been formed. Membership of the steering group is 3 Council Members, 3 Managers and 3 Union Officials. The Project Team has a joint management / union membership. The steering group and team membership along with notes of meetings and a draft project timetable is appended to this report as appendix 1.
- 4.2 Job Family and Job Redesign work has continued through the summer within the project team and with Council managers, unions and staff. Briefings and workshops have been held with all services to provide initial information and overview. Detailed work has also commenced on cost, feasibility and the service implications of progressing this approach.

#### **5 Job Family & Job Redesign**

- 5.1 Job Families have been progressed on a twin track approach. Firstly a "standard" set of Job Families have been used to provide an outline structure for a technical assimilation of posts onto a new pay and grading structure to help determine the cost estimates for a new implementation. That work has confirmed that an initial cost of around £4 million per annum would be added to the Councils wage bill if all staff who were set to increase pay under the previous offer received those rates and all other staff were able to participate in full Job Redesign to maintain current basic pay levels.
- 5.2 At the same time work has been started on defining a set of "Shetland" job families that fully reflect the range and nature of services delivered by this Council. That work is a collaboration between the Project Team

and Services to ensure that both consistency and appropriateness is ensured.

- 5.3 At this stage the main activity on potential Job Redesign has been explaining its principles and objectives, and gathering together the necessary data. A number of individual exercises have been modelled with management and unions to further clarify the potential and issues and provide a feasibility test. This has shown that this will be no means an easy exercise combining a need to consider service need, capacity, workforce development constraints together. It is not yet possible to make any general statement on the projected outcome across all affected posts however no instances have been identified at this stage where redesign cannot be considered and a number of cases where a redesign exercise would appear to meet aspirations, while at the same time improve service delivery, and would probably be progressed by services in any case.
- 5.4 The next steps on Job Redesign are to work through post by post with services, and consider the detailed implications for each in terms of achievability and desirability from a service delivery point of view. That exercise will require considerable effort and very close liaison between the project team and services.
- 5.5 This exercise will also be the vehicle to identify where increased costs would result in improvements to service, or the potential to recover some of these costs at later stages through increases in productivity or efficiency.

## **6 Terms and Conditions and Pay Modelling**

- 6.1 All areas of the Single Status project need to be progressed in parallel to be able to come to a set of arrangements that can be fully costed and understood by management, staff, unions and members. During the next phase the Pay and Grading arrangements and Terms and Conditions will also be consider by the project team and steering group alongside job families and job redesign.
- 6.2 The objective is to develop a set of proposals covering all areas that can be communicated and consulted with on with staff from the start of November.

## **7 Communications**

- 7.1 The steering group and project team continue to be committed to effective communication and are using a mix of tools and approaches to best deliver. Regular newsletters are being produced, briefing and workshops with all Services will continue and a comprehensive series of road shows backed up by opportunities for individual discussions and clarification are planned as the project progresses.
- 7.2 The Steering group at their last meeting requested that the Council should consider transferring formal JCC responsibilities for the Single Status project to the Single Status Steering Group to avoid duplication

and improve timing arrangements. That recommendation is contained within this report.

## **8 Financial Implications**

- 8.1 A package costing in the order of £10 million over 5 years with ongoing revenue costs of £500,000 per annum has been the basis of Council financial planning up to this point. That was rejected by Union members and is therefore withdrawn.
- 8.2 Work to date has confirmed that full assimilation of all affected staff to avoid basic pay losses will require an ongoing addition to the annual pay bill, perhaps up to £4 million. Costs of this significance must be acknowledged and considered in the Council's medium term financial planning. They clearly can only mean a direct and proportional reduction in Capital Programme spend, reduction in service revenue costs, reduction in employment or a reduction in levels of Council Reserves (or a combination of any or all of these).
- 8.3 To put this into perspective, every £1 million per annum added to the pay bill equates to a 5% reduction in the General Fund Capital Programme, a doubling of the currently-planned £1 million per annum reductions in revenue spending, a staffing reduction of around 40 full time equivalents (1.6%), or the failure of the Council to stabilise its Reserves at the target level of £250 million (jeopardising the long term sustainability of Council services).
- 8.4 Later cost savings through efficiency gains arising from redesign have not yet been quantified, but will be collated through the next phase of the project.
- 8.5 The Council will continue to be exposed to equal pay claims approximating £60,000 per month until single status is implemented.
- 8.6 An exposure to the possibility of 'equal value' claims continues.

## **9 Policy and Delegated Authority**

- 9.1 The Council approved the setting up of a Single Status Project Board in February 2003 and approved the constitution of a Negotiating Forum (Minute Reference SIC04/03).
- 9.2 The Council delegated authority for negotiating Equal Pay settlements to the Single Status Negotiating Team in March 2006 (Minute Reference 67/06).
- 9.3 The Council approved the Delegation of authority to the Chief Executive to establish and resource negotiating arrangements for Single Status in July 2007.

## **10 Conclusions**

- 10.1 Collective agreement on the Council's recent proposals for the implementation of Single Status has not been obtained this far.
- 10.2 The Council has sought to listen and understand the concerns which have been raised by a large number of staff regarding their impact on them as individuals.
- 10.3 Job Redesign and Job Families continues to offer a potential way forward under single status but the detailed costs, benefits and options have not yet been fully established..
- 10.4 Failing to take the process forward would continue to further expose the Council to Equal Pay and Equal Value claims and pressure will continue to increase on the Council to implement a settlement over time.

## **11 Recommendations**

I recommend that the Council should;

- 11.1 Discuss the progress to date, and plans set out in this report.
- 11.2 Endorse the membership and remit of the Single Status Steering Group to co-ordinate consultation, investigation, negotiations and progress monitoring for this project as set out in appendix 1.
- 11.3 Confirm that staff consultative arrangements for Single Status are transferred from the Employee JCC to the Single Status Steering Group.
- 11.4 Endorse the continuing investigation of the detailed costs and benefits for single status implementation based on job family / job re-design in consultation with managers, staff and unions. And report again to Council next meeting cycle
- 11.5 Continue to require that all affected staff are fully informed and consulted through this exercise.

Date: 05 September 2007  
Our Ref: JRS/KM

Report No: CE-34-F





## **REPORT**

**To: Shetland Islands Council  
Employees JCC**

**12 September 2007  
7 August 2007**

**From: Human Resources Manager  
Executive Services**

**Report No: CE - 07**

### **Leave Policy – Part 1**

#### **1. Introduction**

- 1.1 The purpose of this report is to obtain approval for the attached set of leave policies. These policies form part of a larger suite of policies covering all aspects of employee leave which will include Annual Leave & Public Holidays, Carer & Compassionate Leave, , Special Leave and Adverse Weather. Following discussion at the Employees JCC on 7<sup>th</sup> August, it has been agreed with the Trade Unions to hold further consultation and to consider the implication of Single Status on the implementation of any changes. These policies will now be included in the single status discussions
- 1.2 Approval is only being sought through this report for the Maternity Leave, Adoption Leave and Parental Leave policies, which set out employees statutory entitlements to time off work.
- 1.3 Once implemented, the leave policies should ensure that the Council has an over-arching set of policies and guidelines, which clarify employees' statutory and contractual entitlements to time off from work. In addition they will help promote better work-life balance.

#### **2. Links to Corporate Plans and Priorities**

- 2.1 These policies make a positive contribution to the commitments to staff set out in the Council's Corporate Plan by recognising and valuing employee's contributions and ensuring that we treat employees fairly and consistently.
- 2.2 These policies also support the Council's Improvement Plan by helping develop an economy that is prosperous, competitive and diverse and ensuring that the Council is organised, efficiently run and sustainable.

#### **3. Changes to Current Policy**

The most significant of these are outlined below:

### **3.1 Maternity Leave Provisions**

- 3.2.1 The Council's Maternity Leave Provisions were revised in October 2006, following the introduction of the new Work and Families Act 2007, which allows any employee the right to one year's maternity, leave regardless of their length of service. In addition there is an increase in the number of weeks of Statutory Maternity Pay (SMP) paid for those employees who meet the pre-qualifying conditions.
- 3.2.2 There is also, for the first time, an introduction of 'keeping in touch days' which allow employees on maternity leave to work for 10 days for training or other similar activities, enabling employees to be kept informed of developments within the workplace.

### **3.3 Parental Leave**

- 3.3.1 The Parental Leave and Time off for Dependants Policy came into effect in July 2000, following the introduction of the Employment Relations Act 1999 and was revised in January 2002, when the Maternity and Parental Leave (Amendment) Regulations 2001 came into force, on 10 January 2002.
- 3.3.2 The only significant change to this policy is the removal of the time off for dependants' section, which is now contained within the Carer and Compassionate Leave Policy, which will be presented at a later stage.

### **3.4 Adoption Leave**

- 3.4.1 This replaces the existing Adoption Leave Policy, which was approved in August 1998. The new policy is based on the Scottish Joint Council's (SJC) National Conditions of Service circular SJC/32. It now reflects the leave entitlements for employees going on maternity leave and has also retained the entitlement to pre-adoption leave, which featured in the Council's original policy.
- 3.4.2 Pre-adoption Leave was previously set at a period of 5 days, with a possible extension to 7 days if adopting from the UK mainland for the purpose of meeting the child/children, attend training and other formalities prior to the adoption. This has now been amended to be in line with antenatal care in the Maternity Provisions allowing employees to take reasonable time off without loss of pay.

## **4. Consultation and Communication**

- 4.1 To raise awareness of and promote these policies, consultation has taken place, both formally and informally, with Trade Union representatives and the Personnel Liaison Group.
- 4.2 These policies will be promoted and communicated electronically and council-wide with the following:



- SIC Employees;
- SIC as an Employer;
- Trade Unions

## **5. Financial Implications**

5.1 There are no financial implications arising from this report.

## **6. Policy and Delegated Authority**

6.1 The determination of new, or variation of existing policy, has not been delegated. It therefore remains a decision of the Council, in terms of Section 8.0 of the current Scheme of Delegations.

## **7. Conclusion**

7.1 By approving the attached policies, the Council will be brought in line with current legislation and best practice. It will also enable the Council to promote better work-life balance for its employees.

## **8. Recommendations**

8.1 It is recommended that the Council approve the attached leave policies.

64 St. Olaf Street  
Lerwick

August 2007

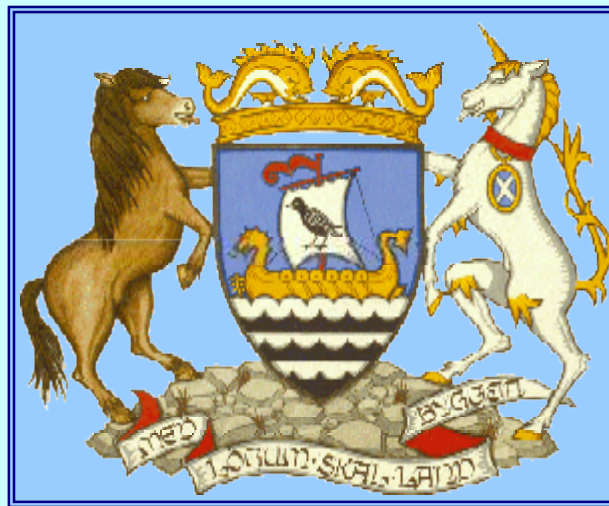
Our Ref: EEM

Report No: CE - 07



# **SHETLAND ISLANDS**

## **Parental Leave Policy - Draft**



**Operational Date:**

**Applies to: All Staff**

Shetland Islands Council

PARENTAL LEAVE POLICY

Operational Date: July 2000 (Revised October 2006  
Review Date: To be confirmed

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3 ENTITLEMENT TO PARENTAL LEAVE ..... 2  
4 THE COUNCIL POLICY ON PARENTAL LEAVE..... 2  
5 REQUESTING LEAVE ..... 3

## **1 INTRODUCTION**

- 1.1 The Employment Relations Act 1999 gives effect to the proposals in the Government's White Paper on "Fairness at Work", published in May 1998. The Act received Royal Assent on 27 July 1999.
- 1.2 Amongst other things, the act provides for a new entitlement to parental leave. The UK Government is required to introduce this right in order to comply with the EU Parental Leave Directive, No 96/34.

## **2 SCOPE OF THE POLICY**

- 2.1 This policy will apply to all employees of the Shetland Islands Council.

## **3 ENTITLEMENT TO PARENTAL LEAVE**

- 3.1 Employees will have the right to parental leave where they have one year's continuous service and:
  - are the parent named on the birth certificate of a child who is under 5 years old, or
  - have adopted a child under the age of 18 (the right lasts for five years from the date on which the child is placed for adoption or until the child's 18<sup>th</sup> birthday, whichever is the sooner), or
  - have a child with a disability under the age of 18, or
  - have obtained formal parental responsibility for a child under the Children (Scotland) Act 1995.

## **4 THE COUNCIL POLICY ON PARENTAL LEAVE**

- 4.1 The key elements of the Council Scheme are outlined below:
  - 4.1.1 The right to leave is 13 weeks in total for each child for either parent, with all employers. Where employees change employers they will have to accrue one years service again prior to taking the balance of their entitlement;
  - 4.1.2 For a parent or adoptive parent of a child who has been awarded disability living allowance; the entitlement is 18 weeks which can be taken up to the child's 18<sup>th</sup> birthday.
  - 4.1.3 The right is to take the leave up until the child's 6<sup>th</sup> birthday, or until the 6 years have elapsed following placement in the case of adoption;

- 4.1.4 Entitlement to parental leave will be extended to those employees with responsibility for a “step-child”, where no formal adoption has taken place but where a strong commitment to the child can be demonstrated;
- 4.1.5 Multiple births will attract leave for each child;
- 4.1.6 Leave may be taken in blocks of one week upwards (but not less than one week) and up to a maximum of four weeks in any one year. A week’s leave means, where an employee’s work schedule does not vary, the period that the employee normally works. This right will apply pro rata to part-time employees;
- 4.1.7 Where variable hours are worked, a week’s leave is calculated by adding the total hours required to be worked over one year and then dividing by 52;
- 4.1.8 Parents of disabled children will have the flexibility to take leave a day at a time or longer if they wish, again to a maximum of four weeks in any one year;
- 4.1.9 The employee will remain employed while on leave but is not entitled to be paid. The employee’s seniority and pension rights will be preserved and they will be treated as working normally should any redundancy situation occur;
- 4.1.10 At the end of parental leave, the employee is guaranteed the right to return to the same job as before or, if that is not practicable, a similar job which has the same or better status, terms and conditions as the previous job. Where the leave is taken for a period of four weeks or less, the employee will be entitled to go back to the same job;
- 4.1.11 When employees change jobs, employers will be free to seek a declaration about how much parental leave has been taken.

## **5 REQUESTING LEAVE**

- 5.1 The following procedure must be followed when requesting parental leave:
  - 5.1.1 The request must be made in writing to the Head of Department and a copy of the child’s birth certificate produced if requested;
  - 5.1.2 At least 21 days notice must be given of taking leave;
  - 5.1.3 Employees must give exact notice of the day on which leave is to start, except for fathers who want to take leave straight after their baby is born, to coincide with their right to Maternity Support Leave;
  - 5.1.4 The Head of Department must reply to the request for leave within a time equal to the amount of leave requested;

- 5.1.5 Other than where parental leave has been requested immediately after childbirth or immediately after placement for adoption; parental leave may be postponed for up to six months where the Council can show that the period of leave would cause some considerable disruption to service delivery, e.g. in the education field where leave might reasonably be postponed to ensure the continuation of education. If, in so doing, this means that the leave is postponed beyond the six year limit the employee still has a right to take it.







# Shetland Islands Council

## GUIDANCE NOTES TO MATERNITY PROVISIONS FOR STAFF

**For employees with an expected week of childbirth on or after 1 April 2007**

Operational Date: 1 October 2006

Review Date: 1 October 2009

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**Applying to: All staff groups except Teachers**  
**Effective from: 1 October 2006**

## **INTRODUCTION**

**This guidance note is intended to provide the necessary information required to assist both employees and managers when dealing with questions about maternity for employees with an expected week of childbirth on or after 1 April 2007**

This note is made up of three sections and covers the following Rights and Provisions:

### **PART ONE – Maternity Leave**

### **PART TWO – Maternity Support Leave**

### **PART THREE – Statutory Paternity Leave**

Forms to provide the required information to the Council are attached. Additional copies are available from the administration section of the service/department.

This information is also available on the Council's Intranet Site.

For further details on any aspect of the scheme employees should contact departmental administration staff.

## **PART ONE – MATERNITY LEAVE**

### **1.1 PREGNANT EMPLOYEES AT WORK**

#### **1.1.1 Protection from Risk**

Under Health and Safety regulations, the Council must take the necessary measures to avoid exposure of pregnant and breastfeeding employees to identified potential risk, by temporarily adjusting working conditions and/or hours. A risk assessment must be carried out to assess the nature of potential risks, either by a trained individual within the employee's department, or the Council's Safety Manager.

If due to pregnancy, an employee cannot carry out her normal duties because of Health and Safety regulations, she has the right to be offered suitable alternative work, where this is available. If such work is not available, she will be asked to remain at home on normal pay. If an employee turns down an offer of suitable alternative work, she loses her right to be paid while remaining at home on maternity grounds.

Specific medical advice given to an individual employee should be communicated to the employee's manager at the earliest opportunity. The manager is responsible for initiating, as a matter of urgency, any required changes as a result of such medical information, or seeking advice from Personnel, Occupational Health and/or the Safety & Risk Management section on what should be done.

#### **1.1.2 Right to Time Off for Antenatal Care**

A pregnant employee shall be allowed to take reasonable time off without loss of pay to attend antenatal care.

Antenatal care covers any appointment made on the advice of a doctor, midwife or health visitor. This includes relaxation classes or dental appointments in addition to attending antenatal clinics. The employee however, should arrange these appointments outwith working hours where possible. The employee would be expected to produce on request, a certificate from her doctor stating that she is pregnant and written evidence of appointments made.

The Council will permit reasonable time off for the biological father or the mother's husband or partner to attend antenatal appointments. Such time off should be requested in writing, and the line-manager's consent obtained. It is a requirement of the Council that time off for such appointments be made up within a reasonable time.

#### **1.1.3 Protection from Dismissal**

It is automatically unfair to dismiss an employee for any reason connected with pregnancy or maternity leave.

This provision applies to employees regardless of the type of contract of employment they have with the Council. Further advice on this issue can be obtained from Personnel.

## **1.2 NOTIFICATION**

In order to ensure the health and safety of a pregnant employee, written notification of the pregnancy should be submitted to the manager as early as possible. This will be treated in the strictest of confidence and is only required so that a specific risk assessment can be carried out. Failure to provide this notification in writing may prevent the Council from meeting its obligations under the relevant legislation.

In addition, the Council requires an employee to inform her manager of her pregnancy, the Expected Week of Childbirth (EWC) and the date she intends to commence her Ordinary Maternity Leave (OML) by submitting the completed FORM A on or before the 15<sup>th</sup> week before the EWC. The 15<sup>th</sup> week before the EWC is known as the Qualifying Week.

### **1.2.1 Resignation due to pregnancy**

If an employee chooses to resign due to pregnancy prior to the birth of her baby, she must complete Section 8 of FORM A, giving the appropriate amount of notice as stated in her Terms and Conditions of Employment.

## **1.3. LEAVE ENTITLEMENT**

**There are three periods of maternity leave - Compulsory, Ordinary and Additional.**

### **1.3.1 Compulsory Maternity Leave**

Employees must not work for the two weeks after the birth of the baby, beginning with the day of childbirth. It is an offence for employers to allow employees to do this. This period of leave forms part of the ordinary maternity leave period.

### **1.3.2 Ordinary Maternity Leave (OML)**

All pregnant employees are entitled to take 26 weeks' ordinary maternity leave, regardless of their length of service, provided they satisfy the notification criteria outlined in section 1.4 below.

### **1.3.3 Additional Maternity Leave (AML)**

All pregnant employees are entitled to take a further 26 weeks' additional maternity leave at the end of their ordinary maternity leave, regardless of their length of service, provided they satisfy the notification criteria outlined in section 1.4 below.

An employee would still be entitled to receive ordinary and additional maternity leave in the event of her child surviving for only a short time after birth, or in the event of a still birth 24 weeks or more into the pregnancy.

## **1.4 NOTIFICATION CRITERIA**

### **1.4.1 Ordinary Maternity Leave (OML)**

The earliest date at which an employee can elect to start OML is the beginning of the 11<sup>th</sup> week before the expected week of childbirth (EWC), unless the birth is premature.

The actual start of OML will be the earliest of one of the following:

- The intended start date.
- The first day after the beginning of the 4<sup>th</sup> week before the EWC where the employee is absent from work wholly or partly because of pregnancy.
- The day of childbirth.

In order to qualify, the employee must:

- Notify her manager of her pregnancy in writing as early as possible and where possible, no later than the end of the 15<sup>th</sup> week before the EWC.
- Provide a certificate from a mid-wife or doctor, usually a MatB1 certificate stating the EWC.
- Give at least 28 days notice of any requirement to change the date she wishes to begin OML. If this proves not to be practical, then she must inform her line manager as soon as possible.

The department confirm receipt of this information and will provide confirmation of the employee's rights to leave and pay in writing (using the standard letter) within 28 days.

### **1.4.2 During OML**

During OML, the employee will retain her entitlements to the terms and conditions of employment which would have applied if she had not been absent, except remuneration.

- Annual leave entitlement continues to accrue.
- The employee will be entitled to receive a day in lieu for each public holiday that occurs during the OML period.
- For employees who are Essential Car Users, and the car is not in use for work as a result of maternity leave, the lump sum payments shall continue to be paid for the remainder of the month in which the car first went out of use and a further 3 months thereafter. For the following 3 months, the payment shall be at the rate of 50% of the lump sum payment. Thereafter, payment shall cease until the car is returned to use or if the employee returns to work.

### **1.4.3 Additional Maternity Leave (AML)**

Employees are entitled to 26 weeks Additional Maternity Leave following the last day of her OML. (see 1.4.1).

- Annual leave entitlement continues to accrue during AML.

It will be assumed that an employee will take both OML and AML unless she indicates otherwise.

### **1.5 Maternity Pay**

Employees with less than 26 weeks' continuous service at the 15<sup>th</sup> week before EWC are not entitled to receive Statutory Maternity Pay (SMP). They may however, be entitled to receive Maternity Allowance.

In order to claim Maternity Allowance from the Benefits Agency, FORM A should be submitted in the first instance. The Council's Payroll Section will then issue DSS form SMP1 to the employee, along with her MATB1 form, within 7 days of the decision that she is not entitled to receive SMP.

Maternity Allowance is payable for 26 weeks (if a woman has worked and paid NI contributions for 26 weeks out of 66 before the EWC). The rate is equal to flat rate SMP.

#### **1.5.1 Employees With More Than 26 Weeks Service**

##### **1.5.1.1 Statutory Maternity Pay (SMP)**

To qualify for SMP an employee must meet all of the following conditions:

- she provides a MAT B1 form stating her expected week of childbirth;
- Employed by the Council continuously for a period of 26 weeks continuing into the 15<sup>th</sup> week before the EWC.
- An employee must have average weekly earnings of not less than the lower earnings limit for the payment of National Insurance contributions, which applies in the QW.
- she is still pregnant 11 weeks before the start of the expected week of childbirth (or has already given birth);
- An employee must have begun her period of Maternity Leave.
- she gives proper notification of her pregnancy in accordance with the rules set out above

SMP is payable for 39 weeks during maternity leave. It is paid as follows: -

First 6 weeks	90% of average earnings (inclusive of non-contractual payments e.g. overtime).
Next 33 weeks	SMP standard rate only (the lesser of £112.75* or 90% of employees' average weekly earnings).

**\*standard rate correct as at 1/10/07**

If the employee becomes eligible for a pay rise between the start of the original calculation period and the end of her maternity leave (whether ordinary maternity leave or additional maternity leave), the higher or standard rate of SMP will be recalculated to take account of the employee's pay rise, regardless of whether SMP has already been paid. This means that the employee's SMP will be recalculated and increased retrospectively, or that she may qualify for SMP if she did not previously. The employee will be paid a lump sum to make up any difference between SMP already paid and the amount payable as a result of the pay rise.

Statutory maternity pay is treated as earnings and is therefore subject to PAYE and national insurance deductions.

Payment of SMP cannot start prior to the 11<sup>th</sup> week before the employee's expected week of childbirth. Statutory maternity pay can start from any day of the week in accordance with the date the employee starts her maternity leave.

Statutory maternity pay is payable whether or not the employee intends to return to work after her maternity leave.

Employees who are not entitled to SMP may be entitled to receive maternity allowance payable by the Government.

#### **1.5.1.2 Occupational Maternity Pay (OMP)**

OMP is paid in addition to SMP or Maternity Allowance (MA) to employees who have been employed by the Council continuously for at least 26 weeks before the EWC.

For the first six weeks of absence an employee will be entitled to nine-tenths of a week's pay offset against payments made by way of SMP or MA where eligible.

For employees intending to return to work, for each of the subsequent 12 weeks the employee will be paid half a week's pay without deduction except by the extent to which the combined pay and SMP (or MA and any dependants' allowance if the employee is not eligible for SMP) exceeds full pay. For the subsequent 21 weeks the employee will be entitled to SMP or MA.

For employees not intending to return to work, payments during the subsequent 33 weeks will be the employee's entitlement to SMP or MA.

Employees will be paid maternity pay on the normal pay date, which will comprise the number of completed weeks in the month.



The employee must commit in writing that she intends to return to work at the end of her maternity leave for a period of not less than three months.

When an employee has received OMP, but not returned to work for the prescribed three months, she would be required to repay part of the OMP element of the maternity pay she will have received to the Council. This will be an amount equivalent to 12 weeks of 50% of normal average earnings. There is no requirement to repay SMP. An employee may choose not to receive this amount of Maternity Pay and then should she return to work, this amount would be paid to her at the end of 3 months.

## **1.6 MAINTAINING CONTACT DURING MATERNITY LEAVE**

Throughout the pregnancy and maternity leave period, communication and information exchange between the Council and employee are vital. The employee should be kept informed of changing circumstances at work and training being given and must be notified of any Council job vacancies.

## **1.7 KEEPING IN TOUCH DAYS**

Except during the first two weeks after childbirth (four weeks in the case of factory workers), an employee can agree to work for the Council (or to attend training) for up to 10 days during either ordinary maternity leave or additional maternity leave without that work bringing the period of her maternity leave to an end and without loss of a week's SMP. These are known as 'keeping-in-touch' days. Any work carried out on a day shall constitute a day's work for these purposes.

The Council has no right to require the employee to carry out any work, and the employee has no right to undertake any work, during her maternity leave. Any work undertaken, is entirely a matter for agreement between the Council and the employee. Any keeping-in-touch days worked do not extend the period of maternity leave. Once the keeping-in-touch days have been used up, the employee will lose a week's SMP for any week in which she agrees to work for the Council.

Keeping in touch days will be paid at the employee's normal rate of pay.

## **1.8 RETURNING TO WORK**

On resuming work after ordinary maternity leave, employees are entitled to return to the same job as she occupied before commencing maternity leave on the same terms and conditions of employment as if she had not been absent. However suitable alternative employment may also be offered where for example a workplace reorganisation has occurred which would have occurred in any case, had the employee not been absent.

On resuming work after additional maternity leave, again she is entitled to return to the same job as she occupied before commencing maternity leave on the same terms and conditions of employment as if she had not been absent. However, if it is not reasonably practicable for the Council to allow the employee to return to the same job, the Council may offer the employee suitable alternative work, on terms and conditions that are no less favourable than would have applied if she had not been absent.

### **1.8.1 Notification of Return**

The employee will have been formally advised in writing of the date on which she is expected to return to work if she takes her full 52-week entitlement to maternity leave. The employee is expected to return on this date, unless she notifies otherwise. If she is unable to attend work at the end of her maternity leave due to sickness or injury, the normal arrangements for sickness absence will apply. In any other case, late return without prior authorisation will be treated as unauthorised absence.

While the employee is under no obligation to do so, it would assist if she confirms as soon as convenient during her maternity leave that she will be returning to work as expected.

If the employee wishes to return to work earlier than the expected return date, she must give at least eight weeks' notice of her date of early return, preferably in writing. If she fails to do so, the Council may postpone her return to such a date as will give the eight weeks' notice, provided that this is not later than the expected return date.

If the employee decides not to return to work after maternity leave, she must give notice of resignation as soon as possible and in accordance with the terms of her contract of employment. If the notice period would expire after maternity leave has ended, the Council may require the employee to return to work for the remainder of the notice period.

### **1.8.2 Request to return to Part-Time Work or Job Share**

An employee may request a return to work on a job-sharing basis and it is important to give reasonable notice of this request i.e. at least 8 weeks before the intended date of return. The Council should be able to justify why a post may not be job-shared if a request is refused.

This is normally considered a permanent change, however in some circumstances it may be an option to phase the return to full-time working by a temporary adjustment to part-time hours or utilising outstanding annual leave to offset against normal hours. This may be agreed for the first 3 months or other agreed period. This is not an entitlement, with each case being assessed on its' individual circumstances and subject to the manager's discretion.

If an employee returns to work on a job-share or part-time basis, the 3-month return to work requirement for the entitlement to OMP period will be based on the new contractual hours, i.e. calendar months.

Further information is contained in the Job Share Policy.

### **1.8.3 Right to Request Flexible Working**

Any employee with 26 weeks' continuous service with the Council and who has a child under six years old (18 if the child is disabled), has the right to ask for a change in terms and conditions relating to:

- Hours of work (this includes a return to work on a job sharing basis or part-time working).
- Times of work.
- Location of work (home or employer's location).

A written request must be submitted to the line manager. Further information is contained in the Flexible Working Guidelines.

#### **1.8.4 Risk Assessment for Returning to Work**

New mothers who perform night work have a right to be offered suitable alternative employment, or where that is unavailable, given paid leave providing they produce a medical certificate which shows that their health and safety is at risk if they continue to work nights. In this event a referral to occupational health shall be arranged.

An employee should notify the Council, in writing, as early as possible that she plans to continue breast-feeding when she returns to work. The Council must provide somewhere for breast-feeding mothers to rest. There may be other risks to consider if the employee plans to continue breast-feeding once she returns to work. These depend on their working conditions and advice should be sought from the Council's Health and Safety section.

### **1.9 PENSION CONTRIBUTIONS – Unpaid Maternity Leave**

If an employee receives OMP or SMP during maternity leave, pension contributions will be taken from the pay received. If the employee takes any period of unpaid maternity leave then the employee can decide whether to make additional contributions upon her return to work as if she had received maternity pay. She must tell the Council whether or not she wishes to make the extra contributions. This must be done within 30 days of the date she returns to work or the date she tells the Council that she intends to leave.

These additional contributions can be made by either paying the full amount in one lump sum or by instalments over a period of time, which must be no greater than the period of unpaid leave.

If contributions **are not** made for the unpaid period, it will **not** count as membership of the Local Government Pension Scheme.

### **1.10 COMPLICATIONS OF PREGNANCY OR BIRTH**

#### **1.10.1 Still birth**

If the employee's child is stillborn on or before the 24<sup>th</sup> week of pregnancy, she will not meet the qualifying conditions for maternity leave or pay. SSP or Sickness Allowance may be payable instead of maternity pay. Any communication with the employee must be handled with sympathetic consideration for the circumstances.

If a stillbirth occurs after the 25<sup>th</sup> week, the employee will be entitled to Statutory Maternity Pay and Leave.

### **1.10.2 Resignation**

If an employee has resigned due to childbirth and sadly the child does not live, she will be entitled to return to work. Every effort should be made to find suitable alternative employment, as there is no entitlement to return to the same post, grade or salary as before.

## FORM A: APPLICATION FOR MATERNITY LEAVE

TO: Line Manager

This form should be submitted to the relevant administration section no later than the 15<sup>th</sup> week prior to your expected week of childbirth.

I am giving you this form to let you know that I am pregnant and to notify you of when I want to start my maternity leave and begin receiving Maternity Pay if I am eligible for it, or, that I intend to resign from my employment.

<b>1. Personal Details (PLEASE PRINT)</b>	
Name: .....	Service: .....
Employee No: .....	Line Manager: .....
Signature: .....	Date Submitted: .....
<b>2. My baby is due on the week commencing Sunday:</b> ..... (Expected Week of Childbirth)	
<b>3. A certificate (usually a MAT B1) confirming this:</b>	
a) Has been given to you already	Yes <input type="checkbox"/> No <input type="checkbox"/>
b) Is enclosed with this form	Yes <input type="checkbox"/> No <input type="checkbox"/>
c) Will be given to you shortly	Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>4. Qualifying for Statutory Maternity (SMP)</b>	
The 15 <sup>th</sup> week before my Expected Week of Childbirth (EWC) is the week commencing Sunday: .....	
On this date I will have worked continuously for at least 26 weeks	Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>5. Occupational Maternity Pay (OMP)</b>	
Having read the attached policy I believe I am entitled to occupational maternity pay	Yes <input type="checkbox"/> No <input type="checkbox"/>
I wish to receive my entitlement to 12 weeks at 50% of normal pay	Yes <input type="checkbox"/> No <input type="checkbox"/>
I am an Essential Car User (payment as per 'Car Not in Use' scheme).	Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>6. Maternity Leave (OML + AML)</b>	
I am entitled to 26 weeks' Ordinary Maternity Leave and 26 weeks' Additional Maternity Leave. I wish my Maternity Leave to commence on: ..... I am due back to work on: .....	

***You do not have to take the entire 26 week's Statutory Maternity Leave, or the entire 26 weeks Additional Maternity Leave period, if it applies to you. However It is assumed you will take both periods of leave unless you indicate otherwise.***

#### **8. Resignation**

I do not intend to return to work. I hereby give notice  
that my last day at work will be: \_\_\_\_\_

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

***Your administration section will confirm in writing whether they agree with the dates shown above.***

#### **9. You must sign this section**

I understand that if I want to return to work before the date shown above, if possible, I must give the administration section at least 8 weeks notice of the date on which I want to return in writing.

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Line Manager Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

## **PART TWO – MATERNITY SUPPORT LEAVE (MSL)**

Maternity Support Leave of five days with full normal pay will be granted to the child's father or the partner or nominated carer of an expectant mother at or around the time of birth. The nominated carer is the person nominated by the mother to assist in the care of the child and to provide support to the mother at or around the time of birth.

### **2.1 ELIGIBILITY**

This entitlement is available to employees regardless of their length of continuous service or the number of hours worked each week.

A nominated carer must obtain confirmation in writing from the mother and a copy of the MAT B1.

Employees must complete FORM B and submit to their Service Manager (or equivalent) no later than the 15<sup>th</sup> week before the Expected Week of Childbirth (EWC).

Fathers or partners of an expectant mother who have 26 weeks' continuous service with the Council by the start of the 15<sup>th</sup> week before the EWC are entitled to receive a second week's leave under Statutory Paternity Leave provisions outlined in PART THREE.

Statutory Paternity Leave provides a right to fathers (and other eligible persons) to take leave of up to two weeks to help care for the mother and the baby. An employee can take either one week or two consecutive weeks but not two separate weeks. However, they can substitute one of these weeks for Maternity Support Leave.

### 3.1 ELIGIBILITY

An employee is eligible if:

- He/She has or expects to have responsibility for the baby's upbringing **and** is either the biological father or the mother's husband or partner (including same sex).
- He/She has 26 weeks' continuous service with the Council by the 15th week before the Expected Week of Childbirth (EWC) and continues in that employment up to the date of birth.
- He/She wishes to take time off either to care for the new baby or to support the mother.
- He/She must have earnings at or above the Lower Earnings Limit for National Insurance at the 15<sup>th</sup> week before EWC.

### 3.2 NOTIFICATION

An employee who wishes to take SPL must submit a completed FORM B to his/her line-manager (or equivalent) no later than the 15<sup>th</sup> week before the EWC.

There will be circumstances when an employee needs to change the commencement date. He/she must inform his/her manager as soon as possible.

### 3.3 STATUTORY PATERNITY LEAVE (SPL)

SPL must be taken once the child has been born and within 56 days of the birth or, where the child is born earlier or later than expected, between the actual date of birth and 56 days from the first day of the EWC.

There is no doubling up (or more) of leave or pay in the case of multiple births.

### 3.4 STATUTORY PATERNITY PAY

Statutory Paternity Pay is paid at the same rate as Statutory Maternity Pay. See Part 1, para 1.5.1.1



## Form B: (1/2) APPLICATION FOR STATUTORY PATERNITY LEAVE/ MATERNITY SUPPORT LEAVE

TO: Line Manager

This form should be submitted to your administration section no later than the 15<sup>th</sup> week prior the expected week of childbirth.

I am giving you this form to let you know that I want to start my Statutory Paternity Leave and / or Maternity Support Leave. Delete as appropriate

<b>1. Personal Details (PLEASE PRINT)</b>	
Name: .....	Service: .....
Employee No: .....	Line Manager: .....
Signature: .....	Date Submitted: .....
<b>2. The baby is due on the week commencing Sunday:</b> ..... (Expected Week of Childbirth)	
<b>3. A certificate (usually a MAT B1) confirming this:</b>	
a) Has been given to you already	Yes <input type="checkbox"/> No <input type="checkbox"/>
b) Is enclosed with this form	Yes <input type="checkbox"/> No <input type="checkbox"/>
c) Will be given to you shortly	Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>4. I wish to take one week's Maternity Support Leave commencing:</b> .....	
<b>5. The mother has/has not (please delete) confirmed I am her nominated carer.</b>	
a) A letter from the mother is attached	Yes <input type="checkbox"/> No <input type="checkbox"/>
b) The mother has signed the declaration below	Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>Declaration</b>	
I confirm that .....(Name) is my nominated carer and that the Expected Week of Childbirth stated above is correct.	
<b>Signature:</b> .....	<b>Date:</b> .....

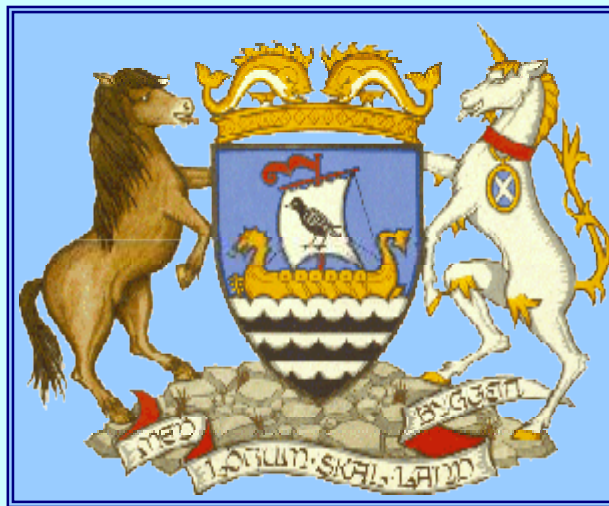
## Form B (2/2): APPLICATION FOR STATUTORY PATERNITY LEAVE/MATERNITY SUPPORT LEAVE

<b>6. Qualifying for Statutory Paternity Leave</b>	
The 15 <sup>th</sup> week before the Expected Week of Childbirth (see question 2) is week commencing Sunday: .....	
<b>7. All Statements must be circled 'YES' to qualify for SPL</b>	
I have or expect to have responsibility for the baby's upbringing or I am the biological father of the mother's husband or partner.	YES
I have worked continuously for the Council for 26 weeks as at the 15 <sup>th</sup> week before the Expected Week of Childbirth and continue in that employment up to the date of birth.	YES
I wish to take time off either to care for the new baby or to support the mother.	YES
<b>8. Leave Options</b>	
<i>Please indicate which option you wish to take by circling the appropriate 'YES'</i>	
I wish to take Maternity Support Leave only.	YES
I wish to take Maternity Support Leave and one week's Statutory Paternity Leave.	YES
I confirm the mother has not named another person as her nominated carer.	YES
<b>9. You must sign this section</b>	
<b>I believe all of the information above to be correct.</b>	
<b>Signature:</b> .....	<b>Date:</b> .....
<b>Line Manager Signature:</b> .....	<b>Date:</b> .....

**Administration Section To Send To Payroll**

# **SHETLAND ISLANDS COUNCIL**

## **Guidance Notes to Adoption Leave for Staff - Draft**



**Operational Date: To be confirmed**  
**Applies to: All Staff**

# Shetland Island Council

## GUIDANCE TO ADOPTION LEAVE FOR STAFF

Operational Date: To be confirmed

Review Date: To be confirmed

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## **1. Introduction**

- 1.1 This guidance note is intended to provide the necessary information required to assist both employees and managers when dealing with questions about adoption for employees. This guidance applies where a child is placed on or after 1 April 2007.
- 1.2 It sets out the rights to statutory adoption leave and pay. It covers leave and pay rights where a child is matched and placed for adoption within the UK. It may also be considered for new placements with foster parents with a view to adoption. For employees who adopt from overseas the entitlements to leave and pay are the same but the notification requirements are different. For further information please visit [www.dti.gov.uk](http://www.dti.gov.uk) and contact Human Resources.
- 1.3 Appendix 1 outlines the differences to the arrangements set out in the main policy as described in Circular SNCT/43 – Adoption Leave and covers Teachers, Music Instructors, Educational Psychologists, Quality Improvement Officers and Educational Support Officers.

## **2. Pre-Adoption Leave**

- 2.1 To qualify for pre-adoption leave, an employee must have worked continuously for 26 weeks ending with the week in which they are notified of being matched with a child for adoption.
- 2.2 Employees who are adopting will be allowed to take such reasonable time off without loss of pay as is required to attend pre-adoption meetings, on production, if required by the Council, of evidence of appointments.
- 2.3 Where possible, the employee should arrange these meetings out with working hours.
- 2.4 Where both adoptive parents work for Shetland Islands Council they will both be entitled to pre-adoption leave.
- 2.5 This leave entitlement may also be considered for foster parents with a new placement.
- 2.6 The employee may be expected to produce a letter from his/her social worker stating that he/she is undergoing assessment as a prospective adopter or foster carer and provide written evidence of appointments.

## **3. Adoption Leave**

- 3.1 Adoption leave is available to:
  - Employees who are newly\* matched with a child for adoption by an adoption agency.

- Employees who are newly notified as a foster carer with a view to adoption\*\*.
- \* This is not available where a child is not newly matched for adoption ie when a step-parent is adopting a partner's child. In these circumstances employees would be entitled to a maximum of five days paid Adoption Support Leave, which will be awarded at the discretion of the manager – See section 15 - Adoption Support Leave.
- \*\* If the leave is taken at this time then no secondary leave will be awarded at the time of the adoption.
- One member of a couple where a couple adopt jointly - the couple must choose which partner takes adoption leave, ie who is the *principal carer*.

3.1.1 Employees who are partners of the principal carer may be eligible for Adoption Support / Paternity Leave. Please refer to sections 15 and 16 for more details.

## 3.2 Leave Entitlement

### 3.2.1 Ordinary Adoption Leave

A Principal Carer who has less than 26 weeks continuous service prior to the week in which he/she is notified of being matched with a child for adoption will have an entitlement to up to 26 weeks Ordinary Adoption Leave.

### 3.2.2 Additional Adoption Leave

A Principal Carer who has completed at least 26 weeks continuous service prior to the week in which he/she is notified of being matched with a child for adoption will have an entitlement to Ordinary Adoption Leave as above and to remain absent for up to a further 26 weeks Additional Adoption Leave immediately following the end of the Ordinary Adoption Leave period.

### 3.2.3 Leave may start from either:

- The date of the child's placement, or
- From a fixed date which can be up to 14 days before the expected date of placement.

Leave can start on any day of the week.

### 3.2.4 Only one period of leave is available irrespective of whether more than one child is placed for adoption as part of the same arrangement.

- 3.2.5 If the child's placement ends during the adoption leave period, the adopter can continue adoption leave for up to eight weeks after the end of the placement or until the end of the adoption leave period whichever is sooner.

#### 4. Adoption Pay

**NB** Statutory Adoption Pay (SAP) is paid at the same rate as Statutory Maternity Pay (SMP).

At the time of approval of this policy, Statutory Maternity Pay = £112.75 per week.

The current rate of SMP can be checked on [www.dwp.gov.uk](http://www.dwp.gov.uk) or by contacting Human Resources.

- 4.1 Adopters whose average earnings are below the Lower Earnings Limit for National Insurance Contributions will not qualify for SAP.

- 4.2 Adopters who have average weekly earnings below the Lower Earnings Limit for National Insurance Contributions do not qualify for SAP. They should contact their adoption agency as they may be able to receive financial support in relation to their adoption payment. Additional financial support may be available through Housing Benefit, Council Tax Benefit or Tax Benefits.

- 4.3 Employees with Less Than 26 Weeks Continuous Service

- 4.3.1 Entitlement for employees who have less than 26 weeks continuous service prior to the week in which he/she is notified of being matched with a child for adoption will be as follows:-

Weeks 1-26 Statutory Adoption Pay (SAP).

- 4.4 Employees with More Than 26 Weeks Continuous Service

- 4.4.1 Entitlement for employees who have more than 26 weeks continuous service prior to the week in which he/she is notified of being matched with a child for adoption and who **do** intend to return to work will be as follows:-

Weeks 1-6 90% of average earnings

Weeks 7-18 50% of average earnings + Statutory Adoption Pay (capped at 100% of normal earnings)

Weeks 19-39 Statutory Adoption Pay

- 4.4.2 Payments made by the Council during weeks 7-18 (in addition to SAP) will be made on the understanding that the employee **will** return to employment with the Council for a period of at least 3 months. In the event of the employee not doing so,

he/she will refund the monies paid. Employees may opt not to be paid the extra amount until they return to work.

- 4.4.3 Entitlement for employees who have more than 26 weeks continuous service prior to the week in which he/she is notified of being matched with a child for adoption and who **do not** intend to return to work will be as follows:-

Weeks 1-6 90% of average earnings

Weeks 7-39 Statutory Adoption Pay

## **5. Notice of Intention to Take Adoption Leave**

- 5.1 Adopters must inform their manager of their intention to take adoption leave in writing within 7 days of being notified by their adoption agency that they have been matched with a child for adoption, unless this is not reasonably practicable. Employees need to state:
- When the child is expected to be placed with them and;
  - When they want their adoption leave to start.
- 5.2 Adopters can change their mind about the date on which they want their leave to start providing they tell their manager at least 28 days in advance (unless this is not reasonably practicable).
- 5.3 Managers have 28 days in which to respond to the employee's notification of their leave plans. The manager must confirm in writing the date on which they expect the employee to return to work if the full entitlement to adoption leave is taken.

## **6. Matching Certificate**

- 6.1 Employees must give their manager documentary evidence from their adoption agency as evidence of their entitlement to SAP and managers have the right to ask for this as evidence when requesting adoption leave. Evidence is sometimes supplied by the adoption agency in the form of a matching certificate, which also includes placement dates. Where matching certificates are not used then other written evidence will be required from the adoption agency

## **7. Contractual Benefits**

- 7.1 Employees are entitled to the benefit of their normal terms and conditions of employment except for terms relating to wages throughout the 26-week ordinary adoption leave period. Employees are entitled to their accrued annual leave but no public holidays.



- 7.2 For employees who are Essential Car Users, and the car is not in use for work as a result of adoption leave, the lump sum payment shall continue to be paid for the remainder of the month in which the car first went out of use and a further 3 months thereafter. For the following 3 months, the payment shall be at the rate of 50% of the lump sum payment. Thereafter, payment shall cease until the car is returned to use or if the employee returns to work.
- 7.3 During additional adoption leave the above still applies except for pension contributions – see Section 8.

## **8. Pension Contributions**

- 8.1 If an employee receives SAP during adoption leave, any normal pension contributions will be taken from the pay received. If unpaid leave is taken, the employee can decide whether to make additional contributions upon their return to work. They must tell the Council whether or not they wish to make the extra contributions. This must be done within 30 days of the date they return to work or the date they tell the Council they intend to leave.
- 8.2 These additional contributions can be made by either paying the full amount in one lump sum or by instalments over a period of time, which must be no greater than the period of unpaid leave.
- 8.3 If contributions are not made for the unpaid period, it will not count as membership of the Local Government Pension Scheme

## **9. Maintaining Contact During Adoption Leave**

- 9.1 Throughout the adoption leave period, communication and information exchange between the Council and employee are vital. The employee should be kept informed of changing circumstances at work and training being given and must be notified of any Council job vacancies.

## **10. Keeping in Touch Days**

- 10.1 An employee can agree to work or to attend training for up to 10 days during adoption leave without that work bringing the period of their adoption leave to an end and without loss of a week's SAP. These are known as 'keeping-in-touch' days. These days do not have to be consecutive and any work carried out on a day shall constitute a day's work for these purposes.
- 10.2 The Council has no right to require the employee to carry out any work, and the employee has no right to undertake any work, during their adoption leave. Any work undertaken, will be paid at the normal rate of pay.

- 10.3 The employee must submit timesheets with 'Keeping in Touch Day' entered against any days worked during adoption leave.

## **11. Return to Work after Adoption Leave**

- 11.1 Adopters who intend to return to work at the end of their full adoption leave entitlement do not have to give further notification to their manager.
- 11.2 Adopters who want to change their return to work date must give their employers eight weeks notice of the date they intend to return.

## **12. Disrupted Placement**

- 12.1 If an employee begins a period of adoption leave before the placement of the child and is then told that the placement will not be made, or during adoption leave the child dies or returns to the adoption agency then the employee's leave will normally finish eight weeks after the end of the week in which the disruption took place.
- 12.2 Payment of SAP continues for eight weeks after the end of the week in which the disruption took place or until the end of the adopters' 39 week SAP period if that is sooner.
- 12.3 Employees must remember to give their employer 8 weeks notice if they are returning to work earlier than expected because of a disruption.

## **13. Request to Return to Work as Part-Time Work or Job Share**

- 13.1 An employee may request a return to work on a job-sharing basis and it is important to give reasonable notice of this request i.e. at least 8 weeks before the intended date of return. The Council should be able to justify why a post may not be job-shared if a request is refused.
- 13.2 This is normally considered a permanent change, however it in some circumstances it may be an option to phase the return to full-time working by a temporary adjustment to part-time hours or utilising outstanding annual leave to offset against normal hours. This may be agreed for the first 3 months or other agreed period. This is not an entitlement, with each case being assessed on its' individual circumstances and subject to the manager's discretion.
- 13.3 Further information is contained in the Job Share Policy.

## **14. Right to Request Flexible Working**

14.1 Any employee with 26 weeks' continuous service with the Council and who has a child under six years old (18 if the child is disabled), has the right to ask for a change in terms and conditions relating to:

- Hours of work (this includes a return to work on a job sharing basis or part-time working).
- Times of work.
- Location of work (home or employer's location).

14.2 A written request must be submitted to the line manager. Further information is contained in the Flexible Working Guidelines.

## **15. Adoption Support Leave**

15.1 An employee who is an adoptive parent but is not the nominated Principal Carer is entitled to 5 days with normal pay that must be taken within 4 weeks of the child/children being placed with them for adoption. This can also be taken where a child is not newly matched for adoption ie when a step-parent is adopting a partner's child – see 3.1

## **16. Paternity Leave and Pay (Adoption)**

16.1 Following the placement of a child for adoption, the rights to paternity leave and pay give eligible employees the right to statutory paid leave to care for their new child or support the adopter.

### **16.2 Eligibility**

16.2.1 Employees must satisfy the following conditions in order to qualify for paternity leave. They must:

- Have or expect to have responsibility for the child's upbringing;
- Be the adopter's spouse or partner;
- Have continuous service of more than 26 weeks ending with the week in which the adopter is notified of being matched with the child.

16.2.2 Managers can ask their employees to provide evidence that they meet these eligibility conditions in the form of a self-certificate.

### **16.3 Length of Paternity Leave**

16.3.1 Eligible employees are entitled to choose to take either one week or two consecutive weeks' paid paternity leave.

**However, they can substitute one of these weeks for Adoption Support Leave.**

16.3.2 They can choose to start their leave:

- From the date of the child's placement, or
- From a chosen number of days or weeks after the date of the child's placement, or
- From a chosen date which is later than the date on which the child is expected to be placed with the adopter.

16.3.3 Leave can start on any day of the week on or following the child's placement but must be completed within 56 days of the child's placement.

16.3.4 Only one period of leave is available to employees irrespective of whether more than one child is placed together.

#### 16.4 Statutory Paternity Pay (SPP)

16.4.1 Statutory Paternity Pay is paid for either one or two consecutive weeks Paternity Leave as the employee has chosen. The rate of SPP is the same as the standard rate of Statutory Maternity Pay.

16.4.2 Adopters who have an average weekly earnings below the Lower Earnings Limit for National Insurance Contributions do not qualify for SPP. They may be able to receive Income Support while on paternity leave. Additional financial support may be available through Housing Benefit, Council Tax Benefit or Tax Credits.

#### 16.5 Notice of Intention to take Adoption Support / Paternity Leave

16.5.1 Employees must inform their manager of their intention to take Adoption Support and/or paternity leave within seven days of the adopter being notified by their adoption agency that they have been matched with a child, unless this is not reasonably practicable. They must tell their manager:

- The date on which the adopter was notified of having been matched with the child
- When the child is expected to be placed
- Whether they wish to take one or two weeks' leave
- When they want their leave to start.
- That they believe they are entitled to SSP

16.5.2 Employees can change their mind about the date on which they want their leave to start providing they tell their manager 28 days in advance.

## **16.6 Contractual Benefits**

16.6.1 Employees are entitled to the benefit of their normal terms and conditions of employment except for terms relating to wages throughout the paternity leave.

## **16.7 Return to Work After Paternity Leave**

16.7.1 Employees are entitled to return to the same job following paternity leave.

## **17. Parental Leave (Adoption)**

17.1 Parental leave can be taken up to five years from the date of the placement (or the child's 18<sup>th</sup> birthday, if that is sooner).

17.2 See "Parental Leave and Time Off for Dependents" policy for more information.

## **18. Administration**

18.1 The following documents are attached to this policy:-

Form A – Application for Adoption Leave

Form B – Application for Statutory Paternity Leave and / or Adoption Support Leave

Letter A – Letters to Employees (Ordinary Adoption Leave)

Letter B – Letter to Employee (Ordinary + Additional Adoption Leave)

Adoption & Fostering Leave for:-

- Teachers,
- Music Instructors
- Educational Psychologists
- Quality Improvement Officers
- Educational Support Officers

This appendix outlines the **differences** to the arrangements set out in the main policy for the staff listed above as described in Circular SNCT/43 Adoption Leave:-

### 1. Adoption Pay

1.1 A teacher who returns to work for all or part of any week before the end of the Ordinary Adoption Leave period is exhausted will have the adoption pay period reduced by a week for each week in which she/he works, and will receive his/her normal salary for that week.

1.2 Adoption Pay is comprised of the following:-

Weeks 1-13      normal salary

Weeks 14-26      Statutory Adoption Pay (provided that the teacher's average weekly earnings are not less than the lower earnings limit for National Insurance contribution liability).

### 2. Accrual of Annual Leave During Adoption Leave

2.1 Where a teacher gives written notice to the Council that she/he does not intend to return to work at the end of the adoption leave period, the Council will make payment to the teacher in lieu of leave accrued during the first 26 weeks of leave.

2.2 Where a teacher notifies the Council that she/he intends to return to work following adoption leave and where the first 26 weeks of adoption leave incorporates at least 4 weeks of the school summer vacation or incorporates in full another school vacation of at least one week's duration, the teacher will accrue credit of 2 days' special leave entitlement in respect of each complete week of the vacation period, subject to a maximum of 10 such days in respect of any one leave year.

### 3. Accrual of Personal Incremental Credit

3.1 Periods of adoption leave count in full as credited service in the determination of placement on the Main Grade Salary Scale in accordance with the salary placement regulations (SNC/35).

#### **4. Disrupted Placement**

- 4.1 Where the adoption placement ends, for any reason, during the adoption leave, the adopter will notify the Council. The adopter will be entitled to remain absent on adoption leave for up to 8 weeks after the end of the placement, except where the placement ends during additional adoption leave. In that circumstance the leave shall end at the expiry of the additional adoption leave period or 8 weeks after the placement ends whichever is sooner. Notice of the intended date of return should be given in accordance with paragraph 5.4 below.

#### **5. Right to Return to Work**

- 5.1 A teacher has the right to return to the post in which she/he was employed under the original contract of employment and on terms and conditions not less favourable than those, which would have been applicable to her/him, had she/he not been absent.
- 5.2 Where it is not practicable by reason of redundancy for the Council to permit the teacher to return to work in her/his post the teacher is entitled to be offered a suitable alternative vacancy where one exists.
- 5.3 Suitable alternative employment may also be offered in exceptional circumstances other than redundancy (eg general reorganisation) which would have occurred if the teacher had not been absent, and necessitate a change in the post in which she/he was employed prior to her/his absence.
- 5.4 Adopters wishing to return to work prior to the end of the adoption leave period must give the Council 28 days notice. If the appropriate notice is not given the Council may postpone her/his return for up to 21 days or to the end of the adoption leave period if this is earlier.







## Schedule

To comply with the requirements of this Notice you should:

Avoid so far as is reasonably practicable the need for persons to undertake any operations at work which involve the risk of hand arm vibration [HAV] injury.

Where this is not reasonably practicable:

(a) Make a suitable and sufficient assessment of all such HAV operations to be undertaken by them, having regard for the factors including health surveillance programmes [pre-employment and ongoing as necessary] etc.

The above must be in accordance with "Hand-arm vibration, Guidance on the Regulations" ISBN 0-7176-6125-3

And record the significant findings of the assessment.

(b) Take appropriate steps to reduce the risk of injury to those persons arising out of your undertaking of all HAV operations to the lowest level reasonably practicable, including the factors: tool selection, maintenance (including proactive maintenance supported by an audit trail), exposure levels, minimising exposure time, the provision of any additional aids required as appropriate eg anti-vibration mounts or tools support aids, details of any purchasing/hiring policy specifying low vibration performance for new equipment, identify daily limits on actual tool use, establish rules for daily tool use and how and when to report any concerns, identify individuals to carry out this work and ensure that they are capable [and the work does not exceed their abilities], provide systems to manage those diagnosed with HAVS, provide suitable, appropriate and adequate training of persons who are to use tools, including supervisors and management, health surveillance programmes [with full details], etc. This is not an exhaustive list.

The above must be in accordance with "Hand-arm vibration, Guidance on the Regulations" ISBN 0-7176-6125-3

And record the significant findings and actions.

(c) Identify and record the management arrangements for the implementation of the above. Describe the system for monitoring and reviewing that the assessment actions are being implemented on site, the effectiveness of the actions being implemented on site and additionally the effectiveness of the actions implemented for minimising the risk of exposure to HAV.

OR

Other equally effective measures should be adopted.





## **REPORT**

**To: Special Central Safety Consultative Committee    7 September 2007**  
**Shetland Islands Council                                    12 September 2007**

**From: Safety Manager**  
**Legal & Administration**

### **Draft Policy on the Management of Hand Arm Vibration Syndrome** **Report Number LA-56-F**

#### **1 Introduction**

- 1.1 This report is to present a draft Policy on the Management of Hand Arm Vibration Syndrome within Shetland Islands Council with a view to its adoption as documentation supporting the Shetland Islands Council Health and Safety Policy.

#### **2 Background**

- 2.1 In February 2007 an Improvement Notice was served on Shetland Islands Council in respect of failure to comply with the requirements of the Control of Vibration at Work Regulations 2005. The notice must be complied with by 30 September 2007. A copy of the notice is attached at Appendix A

#### **3 Policy on Hand Arm Vibration Syndrome**

- 3.1 In order to comply with the Control of Vibration at Work Regulations it is necessary to devise a management strategy in respect of HAVS, and this is contained within the draft policy (Appendix B).
- 3.2 The Policy considers procedures for Risk Assessment, Control Measures, Health Surveillance, Training and Recording & Monitoring of matters relating to HAVS.

#### **4 Policy and Delegated Authority**

- 4.1 As this report deals with the establishment of new policy it requires a decision of the Council in terms of S8.2 of the Scheme of Delegations.

#### **5 Financial Implications**

- 5.1 It is not anticipated that there are any financial implications that cannot be dealt with within existing budgets.

## **6 Conclusions**

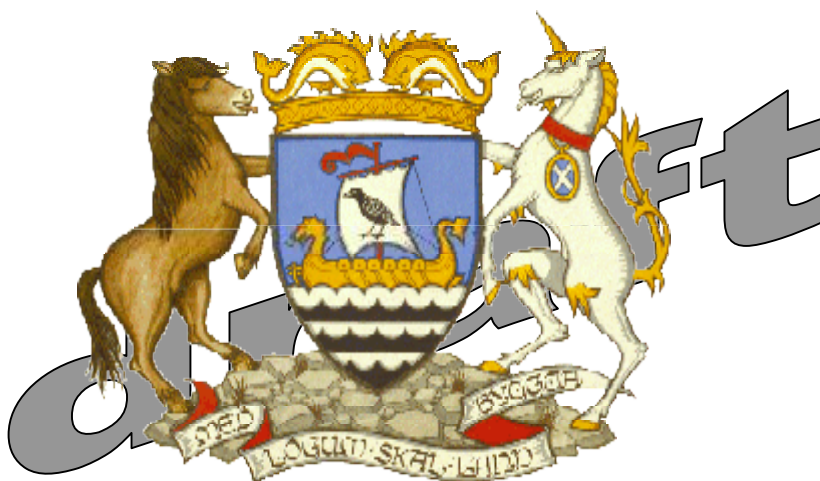
- 6.1 The implantation of the Policy will complete compliance with the requirements of the Improvement Notice served by the HSE.
- 6.2 Prior to the required approval of this policy by the Council it is to be submitted for consultation by Unions and Safety Representatives at the Central Safety Consultative Committee chaired by the Chief Executive. The outcome of their deliberations will be reported verbally to the Council.

## **7 Recommendations**

- 7.1 I recommend that the Committee endorse the implementation of this policy as part of the overall Health and Safety Policy of Shetland Islands Council and recommend this decision to the Council.

# **Shetland Islands Council**

## **Policy on Hand Arm Vibration Syndrome (HAVS)**



**Applies to: All staff groups**  
**Effective from:**



# **Policy on Hand Arm Vibration Syndrome (HAVS)**

Operational Date:

Review Date:

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# 1 Introduction

- 1.1 Hand-arm vibration is vibration transmitted from work processes into workers' hands and arms. It can be caused by operating hand-held power tools, such as road breakers, and hand-guided equipment, such as powered lawnmowers, or by holding materials being processed by machines, such as pedestal grinders.
- 1.2 Regular and frequent exposure to hand-arm vibration can cause health effects. This is most likely when contact with a vibrating tool or work process is a regular part of a person's job. Occasional exposure is unlikely to cause ill health. For some people symptoms may appear after only a few months of exposure, but for others they may take a few years. They are likely to get worse with continued exposure to vibration and the symptoms may become permanent.
- 1.3 Hand-arm vibration can cause a range of conditions collectively known as hand-arm vibration syndrome (HAVS), as well as specific diseases such as carpal tunnel syndrome. Symptoms of HAVS may include;
  - Tingling and numbness in the fingers;
  - Not being able to feel things properly;
  - Loss of strength in the hands;
  - Fingers going white (blanching) and becoming red and painful on recovery (particularly in the cold and wet, and probably only in the tips at first).
  - Pain, distress and sleep disturbance;
  - Inability to do fine work (eg assembling small components) or everyday tasks (eg fastening buttons);
  - Reduced ability to work in cold or damp conditions (ie most outdoor work) which would trigger painful finger blanching attacks;
  - Reduced grip strength, which might affect the ability to do work safely.



These effects can severely limit the jobs an affected person is able to do, as well as many family and social activities.

## **2 Scope of Policy**

- 2.1 This policy applies to all employees of Shetland Islands Council.
- 2.2 All contractors providing services to Shetland Islands Council should conform to the requirements of this policy or demonstrate that other, equivalent steps are in place to manage exposure likely to cause HAVS.

## **3 Policy Statement**

- 3.1 Shetland Islands Council is committed to protecting its employees and those engaged in providing services to the Council from personal injury resulting from excessive exposure to hand held vibrating equipment used during Council activities.
- 3.2 The Council will put in place procedures to limit and control excessive exposure to those levels set in legislation, monitor all relevant employees to identify those who are exposed to levels above the Action Exposure level or who have low tolerance levels and take appropriate action to prevent long term physiological damage.
- 3.3 This will be delivered through a number of risk reduction methods including;
  - Employee pre-employment medical screening
  - Training programmes
  - Procurement procedures
  - Maintenance procedures
  - Hire procedures
  - Contract procedures
  - Equipment testing
  - Occupational exposure control
  - Health surveillance

## **4 Organisation**

- 4.1 The Chief Executive has overall responsibility for this corporate policy.
- 4.2 Executive Directors and the General Manager Ports & Harbours Operations will be responsible for ensuring compliance with the procedures in this policy within their areas of responsibility.
- 4.3 Heads of Service will, within their areas of control:
  - Provide, maintain and monitor the working environment to ensure that it is, so far as is reasonably practicable, safe and without risk to health.
  - Ensure that appropriate procedures to manage the exposure of staff to the risks of HAVS are devised and implemented at a Service level, and that those procedures are regularly reviewed and updated.
  - Ensure that adequate training on HAVS and its management is provided to all staff who use vibrating equipment.
  - Ensure that relevant staff are identified and able to access health surveillance where appropriate.
- 4.4 All Council employees must observe safe working procedures at both corporate and Service levels which have been developed to manage the risks from HAVS.
- 4.5 Specialist advice on HAVS and related employment matters will be available from the Safety Section, Human Resources and the Council's Occupational Health Service provider.

## **5 Links to other policies**

5.1 This policy forms part of the documentation made under the Council's Health and Safety Policy and should be read in conjunction with that document. Copies of this policy are available on the Safety & Risk intranet site or from Safety & Risk Service, 4 Market Street.

5.2 There are a number of other policies which may impact on the Policy on Hand Arm Vibration Syndrome. These are;

- Absence management
- Phased return to work
- Ill health capability
- Employment of disabled people
- Recruitment and selection

Copies of these policies are available on the Human Resources intranet site, or from Human Resources 64 St Olaf Street or from administration staff within service areas.

## **6 Legislation**

6.1 The Control of Vibration at Work Regulations 2005 came into force on 6 July 2005 and aim to protect workers from risks to health from vibration.

The regulations introduce action and limit values for hand-arm and whole-body vibration.

6.2 The regulations introduce an:

- Exposure action value of  $2.5\text{m/s}^2$  A(8) at which level employers should introduce technical and organisational measures to reduce exposure.
- Exposure limit value of  $5.0\text{m/s}^2$  A(8) which should not be exceeded.

### 6.3 The Control of Vibration at Work Regulations require employers to:

- assess the vibration risk to their employees;
- decide if they are likely to be exposed above the daily exposure action value (EAV) and if they are:
  - introduce a programme of controls to eliminate risk, or reduce exposure to as low a level as is reasonably practicable;
  - provide health surveillance (regular health checks) to those employees who continue to be regularly exposed above the action value or otherwise continue to be at risk;
- decide if they are likely to be exposed above the daily exposure limit value (ELV) and if they are:
  - take immediate action to reduce their exposure below the limit value;
- provide information and training to employees on health risks and the actions being taking to control those risks;
- consult trade union safety representatives or employee representatives on proposals to control risk and to provide health surveillance;
- keep a record of risk assessments and control actions;
- keep health records for employees under health surveillance;
- review and update risk assessments regularly.

## 7 Risk Assessment

- 7.1 All work that uses vibrating equipment must be risk assessed to determine whether or not staff are likely to

be exposed to levels of vibration which may cause them harm.

- 7.2 Where the risk assessment identifies that workers may be exposed to vibration above the Exposure Action Level, or may otherwise be caused harm, for example because of the weight of equipment, awkward postures needed to use the equipment, or difficulty in holding and operating the equipment, appropriate control measures must be put in place.
- 7.3 Shetland Islands Council has introduced a scheme in which workers count 'Exposure Points'. All relevant tools have been tested and marked with their individual points value. In terms of Exposure Points the Exposure Action Level is 100 points per day, and the Exposure Limit Level is 400 points per day.

## **8 Control Measures**

- 8.1 Risk control measures must be implemented whenever staff are likely to be exposed to levels of vibration that may cause harm. Such control measures must apply to all relevant tasks and activities. Where an individual worker is at a higher level of risk than other staff, specific control measures should be developed for them.
- 8.2 Risk control measure may be of a number of types and are likely to include some or all of the following:
- Alternative Work methods
    - Alternative work methods can eliminate or reduce exposure to vibration.
    - Mechanise or automate the work.
  - Equipment Selection
    - Ensure that equipment selected or allocated for tasks is suitable and can do the work efficiently.

- Select the lowest vibration tool that is suitable and can do the work efficiently.
  - Limit the use of high vibration tools wherever possible.
- Purchasing policy
  - Check with suppliers that proposed new equipment is suitable and will be effective for the work. Comparisons should be made between different brands/models and vibration information should be obtained from the supplier.
  - Where possible, employees should try different brands/models of equipment and provide feedback on their ease of use.
  - Where equipment has vibration reduction features ensure that relevant information is provided on maintenance to ensure these features can remain effective.
  - Train staff who purchase relevant equipment on vibration issues so that they can deal effectively with equipment suppliers.
- Workstation Design
  - Improve the design of workstations where applicable to minimise the load on employee's hands, wrists and arms caused by poor posture.
  - Use devices such as jigs and suspension systems to reduce the need to grip heavy tools tightly.
- Maintenance
  - Introduce appropriate maintenance programmes for equipment to prevent avoidable increases in vibration.
  - Where any significant repair is carried out on any relevant equipment it should be retested to determine its exposure levels.
  - All relevant equipment shall be retested to determine its exposure levels every 12 months.

- Work Schedules
  - The time that staff are exposed to vibration must be limited.
  - Work should be planned to avoid exposure to vibration for long, continuous periods – several shorter periods are preferable.
  - Where tools require continual or frequent use, rotas for staff should be introduced to limit exposure times.
- Clothing
  - Provide staff with protective clothing necessary to keep them warm and dry. This will encourage good blood circulation which should help prevent development of vibration white finger.
  - Gloves can be used to keep hands warm, but should not be relied upon to provide protection
- Tool Hire Policy
  - Where tools are hired by the Council they will either be tested to determine their exact vibration exposure, or their exposure will be calculated on the basis of 'worst case scenario' ie their value will be assumed to be the same as the worst performing equipment of that type that has been tested. This method should only be used where it is unavoidable.

## **9 Health Surveillance**

- 9.1 Health surveillance is important to detect work related ill health at an early stage and take appropriate action.
- 9.2 Health surveillance should be provided for staff who:

- Are likely to be regularly exposed above the Exposure Action Level of  $2.5 \text{ m/s}^2 \text{ A(8)}$  which is equivalent to 100 Exposure Points per day.
- Are likely to be occasionally exposed above the Exposure Action Level and where the risk assessment identifies that the frequency and severity of exposure may pose a risk to health, or
- Have a diagnosis of HAVS (even when exposed below the Exposure Action Level).

9.3 The Health Surveillance provided by Shetland Islands Council will be based on a tiered approach as follows:

**Tier 1** is a short initial screening questionnaire (Appendix A) that has been given to all current staff exposed to vibration as part of their work. It will now be given to all staff or potential staff as part of pre-employment screening where that person is applying for a job involving vibration. Tier 1 questionnaires will be collated by the Safety Manager/ Safety Officer as Responsible Persons for Shetland Islands Council. The responses to the questionnaire will determine whether the member of staff needs to be referred to Occupational Health for a HAVS assessment.

**Tier 2** is a short questionnaire (Appendix B) used as an Annual Screening Questionnaire. It will be issued on a yearly basis to all staff exposed to vibration risks. The Responsible Person will collate the questionnaires and refer those necessary to Occupational Health.

**Tier 3** involves a HAVS assessment by a qualified person (eg an Occupational Health nurse). If the assessment indicates that the employee may have HAVS Tier 4 will apply. At the present time the Council's Occupational Health Service providers do not have the ability to offer this Tier, and referrals will be immediately to Tier 4.



**Tier 4** involves a formal diagnosis and is carried out by a doctor qualified in Occupational Health with specialised training in HAVS. The doctor will advise on the employee's fitness to work.

**Tier 5** is optional and involves referral for specific tests for HAVS. This is likely to be used only when fitness to work is an issue or the diagnosis of HAVS needs additional tests.

- 9.4 Individuals who are found to have HAVS or be at risk from HAVS will have to have specific controls introduced to protect them from further physiological damage. As cases will vary, each will be determined on an individual basis with input from Occupational Health, Human Resources, Health and Safety and the employing Department.
- 9.5 The following records will be kept for any member of staff whilst they are under health surveillance:
- Identification details of the employee
  - The employee's history of exposure to vibration
  - The outcome of previous health surveillance in terms of fitness for work and any restrictions required
  - The Tier 1 and Tier 2 questionnaire results

The records shall not contain any personal medical information which shall be kept by the Occupational Health Service provider.

- 9.6 Where HAVS or carpal tunnel syndrome is reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR), that is, a written, formal diagnosis of HAVS or carpal tunnel syndrome caused by a work activity listed in

Schedule 3 of RIDDOR has been received, the Safety Section will formally report the illness and inform the employee that this has been done.

## **10 Training**

10.1 All staff exposed to risks from vibration must be provided with training as part of their induction process.

10.2 Training should include the following information:

- The health effects of Hand Arm Vibration.
- Sources of Hand Arm Vibration.
- Whether they are at risk, and if so whether the risk is high (above the ELV), medium (above the EAV) or low.
- The risk factors (e.g. the levels of vibration , daily exposure duration, regularity of exposure over weeks, months and years.
- How to recognise and report symptoms.
- The need for health surveillance and how it can help them remain fit for work.
- Ways of minimizing risk including;
  - Changes to work practices
  - Selection, use and maintenance of equipment
  - Maintenance of good blood circulation at work by keeping warm and, if possible, cutting down or giving up smoking.
- The means of recording Exposure Points in Shetland Islands Council and the way that the points are monitored.
- Familiarising staff with the contents of this Policy, and where they can get further information and advice.

## **11 Recording and Monitoring**

- 11.1 All staff who use vibrating equipment will be issued with a Daily Vibration Log Book. Operating time expressed as Exposure Points must be recorded in the book.
- 11.2 The time to be recorded is the actual time that the equipment is being operated, or 'trigger time', not any time that the equipment is only being set up or positioned.
- 11.3 Daily Exposure Points should be transferred to either the timesheet or a separate recording sheet depending on the individual practice in the service area. Where there has been no exposure on any day this must be recorded as '0 points' in the relevant record sheet.
- 11.4 Staff are responsible for monitoring and recording their exposure to vibration, and should ensure that they do not exceed the 400 Exposure Points limit on any day.
- 11.5 Service Areas are responsible for collating and monitoring staff exposure to vibration. This information should be forwarded regularly in an appropriate format to the Safety Section, Safety & Risk to enable Tier 1/2 Health Surveillance to be carried out.

## **Appendix A**

### **Initial Screening Questionnaire**

#### **MEDICAL IN CONFIDENCE**

*Initial Screening Questionnaire for workers using hand held vibrating tools, hand guided vibrating machines and hand fed vibrating machines*

Name	
Occupation	
Address	
Date of Birth	
National Insurance No.	

Have you ever used hand-held vibrating tools, machines or hand-fed processes in your job? **Yes/No**

If YES:

- (a) List year of first exposure .....
- (b) When was the last time you used them? .....  
(Detail work history overleaf)

1. Do you have any tingling of the fingers lasting more than 20 minutes after using vibrating equipment?	Y/N
2. Do you have tingling of the fingers at any other time?	Y/N
3. Do you wake at night with pain, tingling or numbness in your hand or wrist?	Y/N
4. Do one or more of your fingers go numb more than 20 minutes after using vibrating equipment?	Y/N
5. Have your fingers gone white* on cold exposure? (*Whiteness means a clear discoloration of the fingers with a sharp edge, usually followed by a red flush)	Y/N
6. If yes to 5, do you have difficulty rewarming them when leaving the cold?	Y/N

7. Do your fingers go white at any other time?	Y/N
8. Are you experiencing any other problems with the muscles or joints of the hands or arms?	Y/N
9. Do you have difficulty picking up very small objects, eg screws or buttons or opening tight jars?	Y/N
10. Have you ever had a neck, arm or hand injury or operation? If so give details .....	Y/N
11. Have you ever had any serious diseases of joints, skin, nerves, heart or blood vessels? If so give details .....	Y/N
12. Are you on any long-term medication? If so give details .....	Y/N

### Occupational History

Dates	Job Title

I certify that all the answers given above are true to the best of my knowledge and belief.

Signed .....

Date.....

**RETURN IN CONFIDENCE MARKED 'ADDRESSEE ONLY' TO:**

**Safety Manager  
Safety & Risk Services  
4 Market Street  
Lerwick  
ZE1 0JN**

## **Appendix B**

### **Annual screening questionnaire for health surveillance** *Screening Questionnaire for workers using hand-held vibrating tools, hand-guided vibrating machines and handfed vibrating machines*

Employee Name	
Occupation	
Address	
Date of Birth	
Date of Previous screening	

Have you been using hand-held vibrating tools, machines or hand-fed processes in your job, or since your last assessment? **Y/N** (Fill in overleaf)

(If **NO** or more than 2 years since last exposure please return the form - there is no need to answer further questions.)

If **YES**:

- 1 Do you have any numbness or tingling of the fingers lasting more than 20 minutes after using vibrating equipment? **Y/N**
- 2 Do you have numbness or tingling of the fingers at any other time? **Y/N**
- 3 Do you wake at night with pain, tingling, or numbness in your hand or wrist? **Y/N**
- 4 Have any of your fingers gone white\* on cold exposure? **Y/N**
- 5 Have you noticed any change in your tolerance of working outdoors in the cold? **Y/N**
- 6 Are you experiencing any other problems in your hands or arms? **Y/N**
- 7 Do you have difficulty picking up very small objects, eg screws or buttons or opening tight jars? **Y/N**
- 8 Has anything changed about your health since the last assessment ? **Y/N**

**I certify that all the answers given above are true to the best of my knowledge and belief.**

**Signed:**

**Date:**

## Occupational Exposure History

**draft**







## REPORT

To: Shetland Islands Council

8 February 2007

From: Acting Divisional Manager – Legal  
Legal and Administration  
Executive Services Department

### **BRESSAY BRIDGE EMERGENCY POWERS RELATING TO DECISION NOT TO APPEAL INTERDICT JUDGMENT**

#### **1 Introduction**

- 1.1 Further to the meeting of the Infrastructure Committee on 23rd January 2007, this report is to inform members of action taken under emergency powers in relation to the Bressay Bridge project.

#### **2 Links to Council Priorities**

- 2.1 This report meets the objectives of the corporate plan by contributing to the aim of sustainability and easy to use systems for transporting freight and people.

#### **3 Action taken**

- 3.1 At the Infrastructure Committee meeting on 23rd January 2007 it was decided that the advice received from the Council's external legal advisers should be heeded and to recommend that the Council agree not to pursue an appeal.
- 3.2 The time limit for lodging an appeal in accordance with the rules of the Court of Session is 21 days from the date of the decision. In this case that would have meant it falling before the date of this meeting.
- 3.3 The Chief Executive, mindful of the facts detailed in section 3.2 above and acting in accordance with the wish of the majority of members, instructed the Council's legal agents on 24th January 2007 not to lodge an appeal against the Lord Reed's judgment.

## 4 Financial Implications

- 4.1 Any costs arising from this action can be met within the budget from the Bressay Bridge project. The cost centre from which the costs of the emergency action shall be met is GCY 6201.

## 5 Policy and Delegated Authority

- 5.1 Shetland Islands Council Administrative Regulations provides Emergency Powers allowing the Chief Executive, after consulting with the Convener or Vice-Convener, to take action in the event of an urgent matter requiring an immediate decision. Regulation 7.5 reads: "**Emergency Powers**. In the event of an urgent matter arising which requires an immediate decision, the Chief Executive, or his nominee, may take action on behalf of the Council, having consulted with the Convener or Vice-Convener, which ever is appropriate and available. A report of the action taken shall be submitted to a meeting of the Council as soon as possible, but within the terms of these Administrative Regulations."

## 6 Recommendations

- 6.1 I recommend that the Council note the action taken in terms of the information contained in this report.

Report Number : LA – 59 – F

Our Ref: PEFW



## **REPORT**

**To: Shetland Islands Council**

**12 September 2007**

**From: Head of Organisational Development**

**Report No: CE-30-F**

### **Tamil Nadu Shetland Exchange**

#### **1 Purpose**

This report informs the Council of progress in relation to the Tamil Nadu Shetland Exchange. It also requests that a Councillor be nominated to Chair the Steering Group.

#### **2 Link to Corporate Priorities**

2.1 The Council is committed to playing its part in addressing national and international priorities by thinking and acting collectively (Corporate Plan Priority 18).

2.2 In the aftermath of the Boxing Day tsunami there was a clear community will to assist the victims and affected areas. Practical help to build long term mutually beneficial international relationships can contribute to this objective and potentially provide further economic and social benefits.

#### **3 Background**

3.1 On 29 June 2005 members agreed to redirect the £100,000 donation made to the Tsunami Earthquake Appeal to establish long-term links with an area affected by the Boxing Day tsunami of 2004 (Minute Ref - Shetland Islands Council 116/05). The purpose of the project was:

- For the Shetland community to assist those affected directly by the tsunami, in the long-term; and
- For the Shetland community to make long-lasting links with an area affected by the tsunami, for the positive benefit of both communities.

It was also agreed that the project should be an equal partnership between Shetland and the area concerned, with shared control over development and links being made at the community level. It was agreed that exchange, of skills, products and cultures should form a key part of the project.

- 3.2 Delegated authority was given to the Chief Executive or his nominees to proceed with the project. A steering group, established to develop initial proposals, continues to provide guidance to developments; be responsible for ensuring that funding is spent directly in providing assistance to the affected area; and ensure the Council and Shetland community are informed about the development, expenditure and outcomes of the project on an ongoing basis.
- 3.3 A research visit to Tamil Nadu was undertaken in December 2005. The decision was taken to investigate links with this area of southern India because links already existed between the two communities.
- 3.4 A full report of the visit can be accessed at [www.tamilnadushetlandexchange.com](http://www.tamilnadushetlandexchange.com). In summary, the findings were that the National, State and District governments, in collaboration with Non-Governmental Organisations (NGOs) had achieved a huge amount in a short space of time. There had been no spread of infectious disease as a result of the tsunami and, in terms of infrastructure (primarily housing), temporary structures were in place, and permanent structures were planned for or being built.
- 3.5 Fishing was the primary income of about 90% of families. Many boats had been lost or damaged, but by the time of the visit, fishing communities were recovering as a result of boats being donated by NGOs or repaired. Although there was evidence of lack of engines and/or nets in some areas, this was largely being resolved.
- 3.6 A meeting with a government official confirmed that NGOs had given too much in the way of material goods, and that villagers were able to make money from selling them on. The danger was that this was leading them to 'forget' how to work. The official would have been uncomfortable if representatives from Shetland had arrived in the District offering money. Instead he encouraged assistance with education and training.
- 3.7 The result of the visit was the decision to develop an exchange between the Shetland and Tharagambadi communities, primarily through the work of the HOPE foundation in the area.
- 3.8 There were undoubtedly tsunami-affected areas in Tamil Nadu with greater need at the time. However, the recognition by the community and the HOPE Foundation of the need to ensure long-term positive and sustainable change for the area, and the steps achieved in a short space of time, were impressive. The Foundation was working closely with the local community and had quickly moved on from clear up and the provision of resources to establishing schools and vocational centres. A school had been opened within six months of the disaster, for example. The ongoing work was felt to be of a scale in which Shetland had an opportunity to make a difference, with the added benefit of being able to provide the Shetland community with real opportunities to contribute and learn.

3.9 A return visit by members of the HOPE foundation was hosted in May 2006. These face-to-face discussions and initial understandings of each other's communities have since enabled frequent email discussions between those involved in both areas. £8,848.41 has been spent on this area of work, to date, and it is not anticipated that any further funding will be required for the purposes of research and fact-finding.

3.10 All activity initiated by the Council must be within the parameters of the Local Government (Overseas Assistance) Act 1993. This means that any activity must be one in which a local authority has skills and experience; the recipient must be a body engaged in local authority type activity outside the UK; and help provided must be in the form of advice and assistance. The Council is able to supply equipment, ancillary to providing this advice and assistance. The maximum amount spent during any one year must not exceed twenty thousand pounds.

#### **4 Update on Progress**

4.1 In order to maximise benefit to both communities and comply with the legislation, three areas of work are being progressed, which will initially span a five-year period.

##### **4.2 Skills element**

A process has been developed to enable people across Shetland to apply to volunteer in Tharagambadi for two months. The first two returned at the end of 2006, having worked in the school and with the local community and government in order to increase their understanding of the benefits of sustainable tourism in the area. The benefits to the community in Tharagambadi and to the volunteers exceeded expectations and have been documented via the local media in Shetland. The benefit of such a scheme is that those volunteering learn as much, if not more, than the folk who they are passing skills and knowledge on to.

Anyone in Shetland is eligible to apply, as long as the skills they will be using relate to the provision of advice and assistance of a local authority's functions in the UK. Current skills required are to assist with raising awareness about waste management and taking pride in the environment and developing a more flexible curriculum in the school by introducing art, craft and music, for example. During a recent recruitment drive 13 applications were received to volunteer, and there is now a bank of at least seven people available to volunteer their skills in the coming year or so.

There is a need to provide the volunteers with better accommodation and provide storage of equipment between visits. The provision of a permanent base is being looked into and advice sought from the Scottish Ministers to ensure the Council complies with the legislative requirements.

£4,000 per year over the five years (April '07-March '12), a total of £20,000, has been allocated in order to enable visits by, on average, two or four volunteers a year.

Currently, the steering group is investigating the possibility of enabling volunteers from the area to visit Shetland.

#### 4.3 Schools Element

This area of work has commenced with the development of a pilot exchange between the HOPE foundation school in Tharagambadi and Sandwich JHS. Initially young people from each school have been putting together portfolios of their communities and sending them to each other. Teachers from Tharagambadi visited Sandwich in May and discussions have led to the development of curriculum sharing over the coming years. The Head Teacher of Sandwich said in a recent newsletter that 'they were remarkable individuals, whose presence had a great impact on everyone they met'. Teachers from Sandwich will be making a reciprocal trip in September to consolidate links and gain a better understanding of each other's learning environment. Young people will now be in regular contact via email, both informally and as part of their lessons.

Lessons learnt from this exchange are now being applied to other schools, with up to 10 schools in Shetland expressing an interest to be involved. The School's Service is currently developing links with other government schools in the surrounding area in Tamil Nadu, Several schools have linked fund-raising to their annual Enterprise project – for example, North Roe Primary school who raised over £400 through a school event and selling T cloths; and Whiteness Primary who created a calendar and raised over £1,000.

The Council is able to facilitate these exchanges by helping to fund preliminary visits of teachers in order to plan the exchange in the long-term and provide the materials necessary to support the exchange. This is being pursued in collaboration with the British Council. This can, for example, include pens, paper, computers, printers, internet and email access and photocopiers, all with significant additional benefit to the schools and communities in India. The exchange will also increase the capacity of teachers in India, in terms of spoken and written English and in broadening out the curriculum in Indian schools. The twinning arrangements are able to benefit schools in both areas, adding colour and relevance to the curriculum in Shetland schools and underlining how both countries depend on each other - for trade, skills – and need to understand each other's culture.

£6,000 per year over the five years (April '07-March '12), a total of £30,000, will enable, on average, two or three schools to benefit a year.

The Schools Service is responsible for this element, with £30,000 being transferred to a new cost centre. The Service will develop a grant scheme enabling individual schools in Shetland to access the funds and facilitate their own twinning. Additional funding and advice

will be sought from the British Council, who visited Shetland in early September to offer a workshop on global partnerships, explaining this as a priority for the Scottish and National governments. The Council has already been instrumental in funding and supporting Sandwick's link.

#### 4.3 Vocational Element

This area of work is assisting the HOPE foundation's vocational centre to increase earning potential by providing advice and assistance to enable the centre to meet the needs of the local market. Areas of focus in the short- to medium-term are:

- Ongoing research into gaps in local markets matched with local skills audits;
- Developing and providing training courses matched to local market requirements e.g. two wheeler mechanics, boat engine repair, plumbing, masonry, house wiring and spoken English;
- Improving quality and adding value to products largely at a very basic level, such as improving working conditions, quality control, simple packaging;
- Developing products for sale to visitors to the Danish settlement of Tranquebar linked to training courses in the vocational centre: book binding, screen printing small craft items;
- Marketing local products using strong local branding; and
- Advice and assistance for small business development linked to two-year micro finance scheme established by COPE and HOPE foundation India in February 2007.

£6,000 per year has been allocated to supply equipment, ancillary to providing this advice and assistance over the five years (April '07-March '12), a total of £30,000,

- 4.5 The Steering Group continues to meet, on a quarterly basis, to monitor activity and provide advice and assistance to the officers working directly on these projects, as well as seeking additional opportunities for the exchange and accessing national and international funding. They will ensure that a progress report is provided to Council on an annual basis.
- 4.6 This five-year period will provide an opportunity for embedding the exchange into both communities, providing a good spring-board for the long-term.
- 4.7 There are already spin-off projects happening as a result of the Council's development of this exchange, with Shetland Arts taking forward a music project and others exploring the development of a tri-community heritage project celebrating the links between Denmark, Shetland, and Tranquebar (the old Danish port of Tharagambadi). The steering group will monitor the development of these and any other projects that develop, of that nature.
- 4.8 In addition a community group has been established in Shetland by interested people in the community, with the primary aim of fundraising to provide the HOPE foundation in Tharagambadi with operational

costs for the school. At present, the group has raised sufficient funds for the provision of a school bus. They report a very warm and enthusiastic response by members of the Shetland public when they have undertaken such activities as supermarket bag-packing, presentations, car-boot sales and school enterprise projects.

## **5 Financial Implications**

5.1 There are no further financial implications associated with this report beyond those set out in the report to Council in February 2005. The total remaining budget is £93,000 in line with the approval of budget carry forward in the 2006/07 Outturn report. This is split over the coming 5 years as indicated in the table below.

2007/08	£29,000
2009/10	£16,000
2011/12	£16,000
2007/08	£16,000
2009/10	£16,000

## **6 Policy and Delegated Authority**

6.1 The Council report of June 2005 (min ref 116/05) delegated authority to the Chief Executive for implementation of this initiative.

## **7 Recommendation**

7.1 It is requested that Council nominate a member to Chair the steering group meetings, which occur now on an approximately three monthly basis.

Date: 24 August 2007  
Our Ref: JRS/JJ

Report No: CE-30-F





## REPORT

To: Shetland Islands Council

12 September 2007

From: Head of Organisational Development

Report No: CE-33-F

### Corporate Improvement Plan development

#### 1. Introduction

- 1.1 This report introduces 4 operational documents that have been developed by Members over the past 3 months as part of work to produce a Corporate Improvement Plan for this Council.
- 1.2 The Improvement Plan, when finalised, will help the Council to measure its progress in delivering its key objectives over the next 4 years.

#### 2. Link to Council Priorities

- 2.1 The Corporate Improvement Plan essentially sets the Council's key priority areas for the next 4 years. Therefore, once agreed, all Committee reports and key Council decisions during the term of this Council should seek to show how they are contributing to the achievement of the priorities in the Improvement Plan.
- 2.2 This report sets out the operational documents that will underpin the eventual Corporate Improvement Plan.

#### 3. Development process

- 3.1 All Members were invited to attend a Workshop on 12<sup>th</sup> June to start the process of working up a Plan for this Council. The outcome from the Workshop was further discussed at a follow-up seminar with all Members on 21<sup>st</sup> June. At that meeting it was agreed that the Chairs and Vice-Chairs of the Infrastructure Committee, Services Committee and Shetland Development Trust would work with senior management during the summer period to focus the high-level aspirations on to specific targets and set out timescales for delivery.

- 3.2 From this process, 4 detailed operational documents were produced (Appendix 1). These were discussed at a seminar with all Members on 28<sup>th</sup> August.

#### **4. Corporate Improvement Plan – operational documents**

- 4.1 The operational documents are structured to reflect the 3 sustainable development themes – ‘economic’, ‘social’ and ‘environmental’. This helps to show how the Council, as a lead member in the Community Planning Partnership, is contributing to Shetland’s ‘Priorities and Targets’ that were agreed on 4 July 2007.
- 4.2 The 4<sup>th</sup> operational document sets out how the Council proposes to organise its business. This section has been written to reflect the principles of good governance and to ensure that the Council is meeting its obligations to deliver continuous improvement as set out in the Audit Risk Analysis and Plan.
- 4.3 At the seminar on 28<sup>th</sup> August, Members acknowledged that the format of the operational documents, although necessary for internal performance monitoring and leading service planning / budget setting, is not conducive for communication purposes. It was therefore agreed that a ‘Corporate Improvement Plan 2007-11’, summarising the key policy areas from these operational documents, will be developed over the coming weeks.
- 4.4 In terms of performance monitoring, it was also agreed that the Improvement Plan will be monitored at 6-monthly periods, with a full review taking place in September each year.

#### **5. Financial Implications**

- 5.1 It should be acknowledged that the operational documents attached to this report set out a substantial list of aspirations which each have implications in terms of Council resource usage.
- 5.2 Therefore, in order to ensure that Members are provided with the information they require before agreeing the summary “Corporate Improvement Plan 2007-11”, it is proposed that the revenue and capital costs of the plans set out in the operational documents be reported to the next Council meeting on 31<sup>st</sup> October. This will allow Members to consider the setting of priority areas to ensure that the Improvement Plan, when agreed, is in line with the Council’s Budget Strategy, enabling a sustainable financial position.

#### **6. Policy and Delegated Authority**

- 6.1 All principal policy documents require approval by the Council. This report sets out 4 operational documents that will essentially form the

basis of the Corporate Improvement Plan 2007-11, and as a result, Council approval is required.

## **7. Conclusion**

- 7.1 This report has introduced 4 operational documents that have been developed by Members over the summer. These set out targets for achievement against a wide range of service areas across the Council.
- 7.2 It is being proposed that, once the plans in the documents are costed, a summary Corporate Improvement Plan will be developed. This will focus on key areas which the Council views as being priority areas for delivery over the coming 4 years.

## **8. Recommendations**

- 8.1 I recommend that the Council discusses the attached operational documents and endorses them, with the understanding that once information has been provided on the cost of the plans outlined in them, a summary Corporate Improvement Plan 2007-11 will be produced.

August 2007  
Our Ref: PP

Report No: CE-33-F



### **Vision Statement**

The aim of the Council's economic development service is to improve the quality of life of Shetland residents by promoting an environment in which traditional industries can thrive and innovate alongside newer emerging industries.

To help us achieve this vision our aims are to:

- Encourage enterprise and sustainable growth
- Expand knowledge and build skills
- Improve access and extend opportunities
- Focus on Quality

## TRADITIONAL SECTORS

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Key progress dates
<u>Fisheries</u>  1. Rebuild confidence in the fish catching industry, particularly as regards the white fish sector, and consolidate the current position of the pelagic sector (catching and processing).  2. Enhance Shetland's reputation as a high quality producer of fish and fish products.  3. Encourage sustainable growth in Shetland's aquaculture industry.	<b>We will :</b> <ul style="list-style-type: none"> <li>• Ensure there are 5 new, capable crews working in the white fish catching sector;</li> <li>• Support the replacement of the ageing white fish fleet – 8 vessels to be replaced by 2011;</li> <li>• Support 4 infrastructure projects directly affecting the fishing industry and creating 50 jobs;</li> <li>• Support 4 projects aimed at improving the aquaculture industry to be versatile, profitable, and efficient;</li> </ul>	Support, on a commercial basis, at least 10 new and replacement fishing vessels.  Continue, and when possible, extend the quota purchase scheme.  Establish a dedicated mentoring training programme to support new crews.  Implement targets and recommendations contained in the Shetland Seafood Plan.  Support all Fisheries pledges through commercial investment and grant assistance.  Support NAFC through core funding arrangements and continually review the structure and activities to ensure full relevance with Shetland's needs.  Work with NAFC to gain a better understanding of optimum growing conditions in the aquaculture sector.	<b><u>Lead Member(s)</u></b> Chairperson – Shetland Community Development Trust  <b><u>Lead Officers</u></b> General Manager – Shetland Community Development Trust Research and Development Team Operations Manager Ventures Team Operations Manager Financial Controller	2011  2011 2008  2007 - 11  2007 - 11  2007 – 11  2008

### Key Delivery Mechanisms:

Shetland Seafood Plan  
 North Atlantic Fisheries Centre  
 Shetland Community Development Trust

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Key progress dates
<u>Tourism</u>  4. Improve access to Shetland through better air and sea links.  5. Continue to develop Shetland as a tourist destination, through development of high quality products and services.	<b>We will :</b> <ul style="list-style-type: none"> <li>• Re-establish the Continental shipping link;</li> <li>• Maintain the direct air link between Sumburgh and Stansted Airport in London;</li> <li>• Encourage 4 significant quality improvements to visitor accommodation provision in line with visitor expectations;</li> <li>• Develop 4 new commercial activities for visitors;</li> <li>• Encourage 4 Country Museums/visitor attractions to be open during the shoulder season as 'wet weather' attractions;</li> <li>• Encourage 6 heritage related capital improvement projects;</li> </ul>	<p>Work with international partners in the Moregruppen project dedicated to a Norway-Shetland- UK link.</p> <p>Provide route development support through VisitShetland.</p> <p>Complete study of future visitor accommodation needs.</p> <p>Provide support through commercial investment and grant assistance.</p> <p>Review and revise the Tourism Financial Assistance Scheme.</p> <p>Draw up and implement pilot project.</p> <p>Adopt Heritage Tourism Investment Programme. Support Shetland Geopark status and 5 additional heritage projects.</p>	<p><b><u>Lead Member(s)</u></b> Chairperson – Shetland Community Development Trust</p> <p><b><u>Lead Officers</u></b> General Manager – Shetland Community Development Trust Research and Development Team Operations Manager Ventures Team Operations Manager Financial Controller</p>	<p>2008</p> <p>2008 - 09</p> <p>2007 - 11</p> <p>2007 -11</p> <p>2008</p> <p>2008</p> <p>2007 - 11</p>

<p>6. Continue to promote Shetland as a high-quality visitor destination.</p>	<ul style="list-style-type: none"> <li>• Ensure that VisitScotland continues to market Shetland in line with Shetland's aspirations for developing the tourism sector;</li> <li>• Switch marketing media towards modern technologies such as the internet and mobile phones;</li> <li>• Increase occupancy rates by 10%;</li> <li>• Develop a commercial visitor agency to improve packaged holidays in Shetland;</li> </ul>	<p>Work together with VisitShetland to plan and resource marketing activities in a manner that reflects changing market conditions and identifies imaginative solutions for Shetland's complex circumstances.</p>		<p>2007 - 11</p>
<p>7. Support people involved in products and services for the tourism sector</p>	<ul style="list-style-type: none"> <li>• Devise and implement 4 projects to drive up quality standards in tourism;</li> <li>• Run an interactive local event for the cultural/heritage part of the industry to encourage best practice;</li> </ul>	<p>Respond to findings of package holiday study</p> <p>Facilitate one project a year in partnership with tourism sector</p> <p>Aim to run one event every year</p>		<p>2007 - 08</p> <p>2007 – 11</p> <p>2008 - 11</p>

**Key Delivery Mechanisms:**

Shetland Tourism Plan

VisitShetland

Shetland Community Development Trust



Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Key progress dates
<u>Agriculture</u>  8. Shift the emphasis of the agriculture industry in Shetland to a market-led economy which is less reliant on EU and UK subsidy payments.  9. Add value in all areas of production, but especially in meat products and wool.	<b>We will :</b>  <ul style="list-style-type: none"> <li>Foster growth in direct income in the agriculture industry of 10-15% by 2011;</li> </ul>	Construct and facilitate operation of a new community abattoir.  Support the development of air-dried meat processing.  Investigate new production methods for the finishing of animals.  Encourage use of local produce in schools, care homes and other establishments.  Offer support for industry groups and businesses engaged in the marketing of Shetland agricultural products (3 projects).  Assist 2 projects engaged in value adding in wool production.  Approve a Shetland Rural Development Strategy and implement findings, particularly in relation to grant schemes.  Ensure that all assistance schemes help towards finding market led solutions.	<b><u>Lead Member(s)</u></b> Chairperson – Shetland Community Development Trust  <b><u>Lead Officers</u></b> General Manager – Shetland Community Development Trust Research and Development Team Operations Manager Ventures Team Operations Manager Financial Controller	2010  2009  2009  2007 - 2011  2007 -2011  2008 - 11  2007 - 08  2008  2007 - 11
<u>Textiles</u>  10. Encourage the expansion of the Shetland textile sector.	<ul style="list-style-type: none"> <li>Foster output growth of 10% by 2011;</li> </ul>	Support 4 projects through commercial investment or grant assistance.		2007 - 11

<u>Oil Industry</u>	<u>We will :</u>		<u>Lead Member</u> Convener	
11. Increase production of hydrocarbons through Sullom Voe Oil Terminal (SVT).	<ul style="list-style-type: none"> <li>• Achieve delivery of raw gas from Laggan gas field into SVT for further production in 2011;</li> <li>• Encourage commitment of Rosebank/Lochnagar finds to SVT by 2011;</li> <li>• Ensure all crude oil tanks are refurbished by 2011;</li> <li>• Work to achieve commitment of Phase II of Clair field development to SVT by 2011;</li> </ul>	Work through Sullom Voe Association to encourage full use of Sullom Voe harbour and terminal.	<u>Lead Officer</u> Chief Executive	2009
				2010
				2011
				2011
				2008
12. Diversify port of Sullom Voe to be less reliant on oil production.	<ul style="list-style-type: none"> <li>• Conclude SVT port study by March 2008;</li> <li>• Secure 2 projects committing inward investment to SVT;</li> </ul>	Engage suitable consultants through tendering exercise.		2010
		Support new industry through commercial investment.		
13. Encourage logistical operations at Lerwick, Scalloway, Scatsta and Sumburgh.	<ul style="list-style-type: none"> <li>• Seek to retain existing job numbers in oil industry and related sectors;</li> <li>• Encourage further decommissioning contracts in Shetland (3 possible during period);</li> <li>• Encourage offshore hardware maintenance in Shetland;</li> </ul>	Engage with service providers when necessary to strengthen Shetland's ability to retain and attract work.		2007 - 11
		Engage with partners to attract 2 further large-scale decommissioning projects in Shetland.		2007 - 11
		Work with logistics services to attract a hardware maintenance project to Shetland.		2007 - 11

## NEW AND EMERGING SECTORS

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Key progress dates
<p><u>Creative Industries</u></p> <p>14. Establish robust broadband services to businesses, organisations and homes in Shetland.</p>	<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>• Achieve full integration of fibre-optic cable;</li> <li>• Deliver full broadband service (at least 4-8 MB) to 80% of Shetland's population by 2011;</li> <li>• Set up Point-of-Presence site in Shetland;</li> <li>• Establish 20 new businesses dependent on high-speed data links offering direct employment to 60 people;</li> <li>• Deliver BT's C21st network by 2011;</li> <li>• Engage 20 new businesses in the creative industry sector, offering direct employment to 40 people;</li> </ul>	<p>Investigate the potential of new telecoms. services in Shetland along with necessary infrastructure.</p> <p>Support infrastructure development projects through commercial investment.</p> <p>Support business projects through commercial investment and grant assistance.</p> <p>Provide grant support for small business start up and expansion.</p>	<p><b><u>Lead Member(s)</u></b> Chairperson – Shetland Community Development Trust</p> <p><b><u>Lead Officers</u></b> General Manager – Shetland Community Development Trust Research and Development Team Operations Manager Ventures Team Operations Manager Financial Controller</p>	<p>2008</p> <p>2008 – 11</p> <p>2010</p> <p>2008 – 11</p> <p>2011</p> <p>2011</p>
<p>Support growth of businesses in the creative industries sector.</p>				

**Key Delivery Mechanisms:**

Creative Industry Plan  
Telecommunications Infrastructure Study  
Sullom Voe Study

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Key progress dates
<u>Renewable Energy</u>  15. Continue the development of the Viking Energy community wind farm project.  16. Support research and development projects in renewable energy across the isles, in homes, businesses and community organisations.  17. Investigate establishment of manufacturing processes in the renewable energy sector in Shetland.	<b>We will :</b> <ul style="list-style-type: none"> <li>Establish a fixed interconnector to the UK mainland by 2012;</li> <li>Gain full planning permission for Viking Energy;</li> <li>Develop Viking Energy community wind farm project to construction stage by 2010;</li> <li>Support 2 renewable energy projects in the marine environment;</li> <li>Support 4 terrestrial renewable energy projects;</li> <li>Consolidate PURE hydrogen project in Unst;</li> <li>Integrate low-energy technology in local build standards for business projects;</li> </ul>	<p>Work with project partners to lobby government agencies to achieve interconnector.</p> <p>Provide full information necessary for planning permission to be achieved.</p> <p>Identify correct financial and operational structure for bringing the project forward.</p> <p>Support 7 renewable energy projects through commercial investment and grant assistance.</p> <p>Prepare research projects in appropriate circumstances (3 projects during the period).</p>	<p><b><u>Lead Member(s)</u></b> Chairperson – Shetland Community Development Trust</p> <p><b><u>Lead Officers</u></b>  General Manager – Shetland Community Development Trust Research and Development Team Operations Manager Ventures Team Operations Manager Financial Controller</p>	<p>2009</p> <p>2008</p> <p>2007</p> <p>2007 - 11</p> <p>2007 - 11</p>

**Key Delivery Mechanisms:**

Viking Energy Project  
Renewable Energy Policy

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Key progress dates
<u>General</u>  18. Investigate provision of a drydock/lift for vessel maintenance in Shetland.  19. Encourage new activities not presently located in Shetland.  20. Encourage the expansion and development of new manufacturing and new service businesses.  21. Facilitate new food & drink processing activities.	<b>We will :</b>  Complete Research project into drydock/lift provision;  Support 3 projects to develop new activities in Shetland;  Provide support for 4 projects;  Support 2 projects developing new food & drink processing activities in Shetland;	Draw up study remit and identify suitable consultants through a tendering exercise.  Support new projects through commercial investment and grant assistance.	<b><u>Lead Member(s)</u></b> Chairperson – Shetland Community Development Trust  <b><u>Lead Officers</u></b> General Manager – Shetland Community Development Trust Research and Development Team Operations Manager Ventures Team Operations Manager Financial Controller	2009       2008 -11

## MARKETING

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Key progress dates
<p>22. Improve Shetland's reputation as a place that offers:</p> <ul style="list-style-type: none"> <li>• Products of excellent quality that meet the needs and aspirations of the consumers most likely to be interested in what Shetland has to offer.</li> <li>• Services provided to a standard that consistently exceeds customer expectations.</li> </ul>	<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>• Work towards a common brand standard and identity;</li> <li>• Improve Shetland's online image;</li> <li>• Develop Shetland's reputation for high standard food and drink;</li> <li>• Celebrate the best of Shetland;</li> </ul>	<p>Creation of a Shetland Brand book and a range of related support materials.</p> <p>Establish www.shetland.org as a user-friendly primary electronic entry point to Shetland.</p> <p>Encourage food and drink producers to work together by highlighting the benefits of a coherent marketing approach and related activities (10 projects).</p> <p>Improve the Johnsmas Foy as a major summer event in Shetland.</p> <p>Organise Shetland Hamefarin 2010 and Tall Ships Races 2011.</p>	<p><b>Lead Member(s)</b> Chairperson – Shetland Community Development Trust</p> <p><b>Lead Officers</b> General Manager – Shetland Community Development Trust Research and Development Team Operations Manager Ventures Team Operations Manager Financial Controller</p>	<p>2008</p> <p>2008</p> <p>2007 – 11</p> <p>2007 – 11</p> <p>2007 – 11</p> <p>2008 – 11</p> <p>2008 – 11</p> <p>2007 - 11</p>
<p>23. Enable individuals and businesses to develop and promote Shetland products and services with confidence and pride.</p>	<ul style="list-style-type: none"> <li>• Improve the marketing skills of individuals and organisations;</li> <li>• Promote Shetland to consumer markets;</li> <li>• Support private businesses to improve product marketing;</li> </ul>	<p>Host 4 marketing conferences which concentrate on core skills and best practice.</p> <p>Completion of 8 promotions aimed at key trade and consumer audiences using Shetland's brand values.</p> <p>Assist 100 projects from businesses that aim to improve the image of Shetland products and services.</p>		

### Key Delivery Mechanisms:

Shetland Marketing Strategy

## PEOPLE AND COMMUNITIES

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Key progress dates
<p>24. Support community enterprises engaged in economic activities (eg, business units).</p> <p>25. Enable individuals to achieve their full economic potential.</p>	<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>• Support 8 projects engaged in community enterprises;</li> <li>• Investigate ways to improve the Rural Shops Improvement Scheme;</li> <li>• Research ways to retain active rural population;</li> <li>• Engage with Learning Centres to provide skills at the forefront of industry needs;</li> <li>• Ensure the better integration of migrant workers into the local community;</li> <li>• Develop a programme to engage schoolchildren and college students with economic development;</li> </ul>	<p>Support through grant assistance schemes.</p> <p>Undertake revision of the existing Rural Shops Improvement Scheme.</p> <p>Undertake intensive research project into the retention of active rural population.</p> <p>Set up detailed structure in the training sector to determine training needs in Shetland.</p> <p>Bring together agencies involved in services related to the needs of economic migrants.</p> <p>Support global classroom initiative.</p>	<p><b><u>Lead Member(s)</u></b> Chairperson – Shetland Community Development Trust</p> <p><b><u>Lead Officers</u></b> General Manager – Shetland Community Development Trust Research and Development Team Operations Manager Ventures Team Operations Manager Financial Controller</p>	<p>2007 – 11</p> <p>2008</p> <p>2008 – 11</p> <p>2008</p> <p>2008</p> <p>2011</p>
<b>Key Delivery Mechanisms:</b> TBC				

## BUSINESS GUIDANCE AND ENGAGEMENT

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Key progress dates
26. Encourage knowledge transfer into new and emerging businesses.	<b>We will :</b> <ul style="list-style-type: none"> <li>Establish a monitoring plan for all investments and assistance;</li> </ul>	<p>Employ monitoring officer in new Shetland Community Development Trust.</p> <p>Engage suitably qualified mentors to assist with the achievement of business aims and objectives.</p>	<p><b><u>Lead Member(s)</u></b> Chairperson – Shetland Community Development Trust</p>	2007
27. Establish meaningful dialogue with Shetland's industries.	<ul style="list-style-type: none"> <li>Engage with industry through Panels and Working Groups;</li> <li>Investigate recreation of Shetland Chamber of Commerce;</li> </ul>	<p>Set up Panels for: Industry, Agriculture, and Fisheries.</p> <p>Investigate panel for tourism.</p> <p>Set up working groups for fisheries and agriculture.</p> <p>Facilitate project through Industry Panel.</p>	<p><b><u>Lead Officers</u></b> General Manager – Shetland Community Development Trust Research and Development Team Operations Manager Ventures Team Operations Manager Financial Controller</p>	<p>2007</p> <p>2007</p> <p>2007</p> <p>2007</p> <p>2011</p>
<b>Key Delivery Mechanisms:</b> TBC				



## SECTION 2 - SOCIAL

### COMMUNITY CARE

**Policy area**

Delivering a modern, affordable community care service across Shetland is the principal challenge for the authority. Increasing needs-led demand, together with population projections, combine to make a compelling case for service redesign. The process of redesign must start with a review and assessment of existing community assets (staff, transport and capital assets) to determine current capacity against future estimated requirements. This should be undertaken in partnership with NHS Shetland and the voluntary sector.

It is likely that any redesign will require significant capital investment in, e.g. supported housing as well as in respite and permanent care places. This investment will include the upgrading of facilities where appropriate as well as new build.

**Lead Member(s)**

Chairperson and Vice Chairperson of Services Committee  
Chair of Community Health Partnership Committee

**Lead Officer(s)**

Head of Community Care

**Key Delivery Mechanisms**

Extended Local Partnership Agreement and Joint Community Care Plans

Pledges	How we will deliver on the pledges
<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>• Ensure that everyone in Shetland is able to live and participate in a safe, vibrant and healthy community; and</li> <li>• Deliver a range of quality care services, which are where possible: based in local communities; designed in partnership with service users and carers; and based on assessed needs.</li> <li>• Where necessary redesign services to meet increasing demands, in the following service areas: <ul style="list-style-type: none"> <li>• Carers</li> <li>• Learning Disabilities</li> <li>• Mental Health</li> <li>• Sensory Impairment</li> <li>• Palliative Care</li> <li>• Physical Disabilities</li> <li>• Older People</li> <li>• Dementia</li> <li>• Advocacy</li> <li>• HIV / AIDS</li> <li>• Head Injury</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Complete Long Term Care Review and Dementia redesign and related capital projects</li> <li>- Complete Long Term Mental Health Strategy</li> <li>- Progress the Joint Occupational Therapy Store and Office</li> <li>- Joint Respite Strategy</li> <li>- Review health and care services for younger adults with physical disabilities</li> <li>- Review of Services at Eric Gray Resource Centre</li> <li>- Implement the learning disabilities day services redesign</li> <li>- Respite Care Strategy</li> <li>- Independent Living Accommodation (Quoys Phase II)</li> </ul> <p><b>Key Performance Measures</b></p> <ul style="list-style-type: none"> <li>- Amount of services delivered</li> <li>- Amount of assessed needs</li> <li>- Waiting Times for assessment and service delivery</li> <li>- The shift in the balance of care from “institutional” to “home based” care</li> <li>- Outcomes for service users</li> </ul>

## SCHOOLS

### **Policy area**

Shetland schools' population projections anticipate a substantial reduction in pupils within a relatively short time frame. The challenge for the authority is, therefore, to develop a modern "blueprint" for the shape of the education service across Shetland for 10 years time. This model will consider the educational and financial viability levels for schools, their host communities as well as important associated issues such as transport requirements. It will consider links with pre school services and life long, vocational, further and higher education and training. It will consider the development of centres of excellence, focused on particular sectors of the economy across Shetland building on existing high quality facilities. It is anticipated that significant capital investment will be required to bring some schools and facilities up to a modern standard.

### **Lead Member(s)**

Chairperson and Vice Chairperson of Services Committee  
Chair of Children and Young People's Board  
Spokesperson for Children and Young People

### **Lead Officer(s)**

Head of Schools

### **Key Delivery Mechanisms**

The Education Service Improvement Plan is reported to Council on an annual basis (approved December 2006).

Pledges	How we will deliver on the pledges
<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>• create and maintain a framework and culture in which individual learners can strive to realise their full potential</li> <li>• provide Quality Assurance which evaluates standards of Education Service delivery and drives continuous improvement.</li> <li>• contribute to the development, delivery and evaluation of an efficient Education Service, in partnership, and alone, which meets the needs of learners, stakeholders and the community.</li> <li>• manage and evaluate systems and resources to provide an efficient and on-going education service according to the principles of Best Value.</li> </ul>	<p><b>Ongoing:</b></p> <ul style="list-style-type: none"> <li>- To re-design the service around the principles of a Curriculum for Excellence</li> <li>- To maintain and where possible improve attainment levels</li> <li>- To introduce new vocational learning opportunities for pupils aged 14 and above</li> <li>- To improve the attainment and achievement of young people who are not fully involved in mainstream education, the lowest attaining pupils and for Looked After Children</li> <li>- to progress the Estates Management and Financial Review of Schools <ul style="list-style-type: none"> <li>o Sandness Primary and Skerries School due to be reported in October 2007</li> <li>o Scalloway Junior High School, due to start September 2007</li> </ul> </li> <li>- To complete the review of Secondary Schools Staffing</li> <li>- Capital Investment Decisions on Anderson High School, Mid Yell, Lerwick Primary, Scalloway, Sandwick and Pre-School Provision.</li> <li>- Develop a Blueprint for the Education Service by 2009.</li> </ul> <p style="text-align: center;"><b>Key Performance Measures</b></p> <ul style="list-style-type: none"> <li>- Attainment and Progression</li> <li>- Quality Assurance</li> <li>- The % of 16-19 year olds moving to positive destinations including education, training and employment for (a) all (b) from low income families; (c) young carers and (d) looked after children has increased</li> </ul>

## CHILDREN'S SERVICES

### **Policy area**

Child Protection will remain the authority's absolute priority; professional staff development must keep pace with the many challenges which society's changes continually pose for our children.

There are already a number of statutory and voluntary agencies and bodies involved in children's services delivery. We must promote practical and practicable joint working, wrapping services for children around their needs and aspirations. This applies equally in care, education and leisure time activities. We will work to ensure that children and young people can access services and leisure time activity, wherever they live.

The Shetland Childcare Partnership, properly resourced, is well placed to co-ordinate the essential redesign early years services to develop affordable models of childcare throughout Shetland.

### **Lead Member(s)**

Chairperson and Vice Chairperson of Services Committee

Chair of Children and Young People's Board

Spokesperson for Children and Young People

### **Lead Officer(s)**

Head of Children's Services

Head of Schools

### **Key Delivery Mechanisms**

Children and Young People's Services Plan 2005 - 2008

Pledges	How we will deliver on the pledges
<p><b>We will :</b></p> <p>Shetland's shared vision for children and young people is that:</p> <p>"Children and young people should be encouraged and supported to enjoy being young and to lead full, safe, healthy, active and responsible lives in their communities."</p> <p>Partner agencies are committed to working together in an atmosphere of collaboration and respect, to promote all aspects of children and young people's development, to help them feel safe, secure and cared for, and, to have a sense of their own worth and that of other people in society.</p> <p>Children and young people's services are to be planned and delivered against seven cross cutting themes:</p> <ul style="list-style-type: none"> <li>· Safe</li> <li>· Nurtured</li> <li>· Healthy</li> <li>· Achieving</li> <li>· Included</li> <li>· Active</li> <li>· Respected and Responsible</li> </ul>	<ul style="list-style-type: none"> <li>- Review the Children and Young People's Strategy for 2008 - 2011</li> <li>- Review the management arrangements for the Additional Support Needs Services (jointly with the Schools Service) by First Quarter 2008.</li> <li>- Capital Investment Decisions: Leog Replacement; Laburnum Replacement and</li> <li>- Bruce Family Centre Refurbishment / Replacement</li> <li>- Develop the range of services and opportunities available for the pupils who have left school but who are "Not in Education, Employment or Training" (by spring 2008).</li> <li>- Improve the services and timescales for people wishing to Adopt or Foster children (ongoing).</li> <li>- Implement the Integrated Assessment Framework (a multi agency approach to early identification of needs for children and young people and a co-ordinated response to service delivery) from October 2007.</li> </ul> <p style="text-align: center;"><b>Key Performance Measures</b></p> <ul style="list-style-type: none"> <li>- Child protection referrals and registrations</li> <li>- Looked After Children – numbers, trends, attainment</li> <li>- Service Attendance and Quality Assurance</li> <li>- National Outcomes</li> </ul>

## FURTHER AND HIGHER EDUCATION

### **Policy area**

We want to maximise the opportunities for further, higher and vocational learning opportunities, both for school leavers and for people returning to learning. Train Shetland will be established as the principal training provider for Council services, by delivering quality training opportunities which are responsive to the needs of their service users.

### **Lead Member(s)**

Chairperson and Vice Chairperson of Services Committee  
Chair of Shetland College / Train Shetland Board of Management

### **Lead Officer(s)**

Director of Shetland College and Train Shetland

### **Key Delivery Mechanisms**

The Strategic and Operational Plans of Shetland College / Train Shetland

Pledges	How we will deliver on the pledges
<p><b>We will :</b></p> <p>Seek to make a major contribution to the local economy through provision of high quality further and higher education and training which meets the needs of the population and employers</p> <p>To promote broad based Further and Higher Education, Lifelong Learning and Social Inclusion, through the identification of the training, education and vocational needs in Shetland and delivery of provision to meet them.</p> <p>To play a significant role in developing the Shetland economy through meeting the needs of established and new industries.</p> <p>To engage in the social and cultural development of Shetland, including Shetland's heritage.</p>	<ul style="list-style-type: none"> <li>• To increase retention and achievement rates at both FE and HE levels</li> <li>• To increase the numbers of students progressing from FE to HE programmes</li> <li>• In conjunction with Economic Development, review the needs of the textile industry, with particular emphasis on the opportunities presented by the Textile Facilitation Unit</li> <li>• Work in partnership with Shetland Enterprise, Shetland Arts and Economic Development to develop a Creative Industries Unit</li> <li>• Research and commission the development of HNC in music production for delivery in 2008/09</li> <li>• Delivery a range of community based short courses in creative arts</li> <li>• Establish Train Shetland as the Council's principal training provider by 2009</li> </ul> <p style="text-align: center;"><b>Key Performance Measures</b></p> <ul style="list-style-type: none"> <li>- Attainment Figures and Trends</li> <li>- Inspection Reports</li> <li>- Quality Assurance Issues</li> <li>- Recruitment and Retention Rates and Trends for Students</li> </ul>

## CULTURE, RECREATION AND COMMUNITY DEVELOPMENT

### **Policy area**

We must support individuals and communities to help them reach their full potential and promote cultural activities, including where they link with economic development.

We must sponsor completion of work already started on the redesign of Community Learning and Development and to investigate permanent management solutions for the following service areas: culture, libraries, community learning and development, adult learning and sport and leisure services.

### **Lead Member(s)**

Chairperson and Vice Chairperson of Services Committee  
Culture and Recreation Spokesperson

### **Lead Officer(s)**

Service Manager – Sport and Leisure  
Community Work Manager  
Schools Cultural Co-ordinator  
Library and Information Systems Manager  
Service Manager – Adult Learning

### **Key Delivery Mechanisms**

Cultural Strategy



Pledges	How we will deliver on the pledges
<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>- Cherish and promote our traditions and our values;</li> <li>- Encourage active and participative lifestyles, equality of opportunity, personal and community development through increasing access to and participation in the broadest range of cultural activities throughout Shetland, particularly for people who may be excluded or marginalized at present</li> <li>- Celebrate, promote and invest in the islands' distinctive creativity, diverse culture, heritage and environment, and develop and promote them within Shetland and to the wider world</li> <li>- Contribute to the regeneration of Shetland's quality of life, image and economy through the strategic development of human, physical, geographic and financial resources</li> <li>- to promote a healthy lifestyle through regular participation in sport and recreational activity.</li> <li>- everyone throughout Shetland should have the opportunity to take part in formal and informal learning which is useful and relevant to them.</li> </ul>	<ul style="list-style-type: none"> <li>- Report on Management Arrangements by October 2007.</li> <li>- Continue to develop the museum and archives services, set out in the Service Level Agreement (SLA) with Shetland Amenity Trust - annually.</li> <li>- Deliver the Actions from the Cultural Strategy Action Plan 2004 – 2008.</li> <li>- Deliver the Active Schools Programme 2005 - 2008</li> <li>- Deliver the Actions from the Sport and Recreation Strategy</li> <li>- Deliver the Actions from the Vibrant Shetland Strategy and Action Plan for Community Learning and Development 2005 – 2008.</li> <li>- Deliver the Shetland Literacy and Numeracy Strategic Plan</li> <li>- Progress the Library Capital Project.</li> <li>- Implement any recommendations from the recent HMIE Inspection of Community Learning and Development (to be published Autumn 2007).</li> </ul> <p style="text-align: center;"><b>Key Performance Measures</b></p> <ul style="list-style-type: none"> <li>- Levels of Participation and Retention</li> <li>- Coverage of Community Profiles</li> <li>- Indicators of capacity building within communities</li> <li>- Attainment and Progression</li> <li>- Percentage of resident population that are borrowers from public libraries</li> </ul>

# HOUSING

**Policy area**

Two principal challenges face the service – a waiting list for affordable housing (now 900 and growing) and an outstanding debt of £48m. In recognition of that, the authority must work with the Scottish Executive to resolve the outstanding housing debt.

We must also investigate ways to invest in existing General and Special Needs housing as well as in new build, throughout Shetland, and find ways to secure affordable housing with partner organisations. Failure to secure adequate provision of “affordable” housing will act as a brake on the economy and limit the potential of health, environmental, social and educational objectives

**Lead Member(s)**

Chairperson and Vice Chairperson of Services Committee

**Lead Officer(s)**

Head of Housing and Capital Projects

**Key Delivery Mechanisms**

The Local Housing Strategy and Annual Delivery Plan

Pledges	How we will deliver on the pledges
<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>• Improve access to a choice of affordable housing options across all tenures in Shetland.</li> <li>• Aim to meet increasing demand for housing in Shetland across all tenures.</li> <li>• Support the long term goal of achieving inclusive and vibrant communities.</li> <li>• Continuously improve the delivery of housing services in Shetland.</li> <li>• Provide inclusive housing services to meet the needs of particular needs groups.</li> <li>• Improve services that prevent and alleviate homelessness in Shetland.</li> <li>• Support the goal of achieving safe, energy efficient, warm homes that meet the demands of our unique environment.</li> <li>• Support the provision of homes that are of good quality and in good repair across all tenure types.</li> </ul>	<p>These pledges will be delivered via the SMART objectives set out in the Local Housing Strategy Annual Delivery Plan, which incorporates our Service Plan and links to the Corporate Plan. These are monitored by the Housing Strategies Steering Group, the Housing Management Team, and the Executive Committee respectively.</p>

## DEPRIVATION AND SOCIAL EXCLUSION

### **Policy area**

The recent study on deprivation and social exclusion highlighted the difficulties which some individuals and families face in participating fully in employment and social activities within the islands. The Council must embrace these individuals when designing services and strive to promote equality of access to all. We will work with stakeholders to identify the level and extent of deprivation and social exclusion and to develop strategies and policies to address these issues

### **Lead Member(s)**

Chairperson and Vice Chairperson of Services Committee

### **Lead Officer(s)**

Executive Director of Education and Social Care

### **Key Delivery Mechanisms**

Deprivation Study 2006

Pledges	How we will deliver on the pledges
<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>- promote equality of access to all</li> <li>- work with stakeholders to identify the level and extent of deprivation and social exclusion and to develop strategies and policies to address these issues.</li> </ul>	<ul style="list-style-type: none"> <li>- develop an understanding of deprivation and social exclusion in Shetland within communities and agencies.</li> <li>- services to work less in isolation, breakdown organisational and service boundaries and treat individuals and households as a whole rather than in relation to service specific issues.</li> <li>- Be more creative in the way that people experiencing deprivation and social exclusion are reached and involve them in developing solutions.</li> <li>- To improve the understanding of rural disadvantage nationally and methods for measurement.</li> <li>- Be more creative and flexible in the way national policy is delivered.</li> <li>- Revisit the study in 2 years time to see if progress has been made in addressing people's quality of life and ability to participate fully in society.</li> <li>- Promote the model to the Scottish Executive as an alternative indicator for rural deprivation for the purpose of funding allocations to Shetland.</li> </ul> <p style="text-align: center;"><b>Key Performance Measures</b></p> <ul style="list-style-type: none"> <li>- The Number of Individuals and Households in Shetland facing Deprivation and Social Exclusion</li> <li>- The Reasons Why Individuals and Households in Shetland Find Themselves in These Situations and the Impact, on Individuals, Households and Shetland, of Being Socially Excluded and/or Deprived</li> <li>- GDP per household</li> <li>- Benefits Take Up rates</li> <li>- Changes to Funding Formula to take account of alternative measures of deprivation.</li> </ul>

## COMMUNITY SAFETY

### **Policy area**

The Council will work with partner agencies to help ensure that people feel safe and protected in this community. We recognise the importance of securing appropriate responses to tackle the social and cultural issues associated with drugs and alcohol misuse and anti social behaviour.

### **Lead Member(s)**

Chairperson and Vice Chairperson of Services Committee

### **Lead Officer(s)**

Assistant Chief Executive

Executive Director of Education and Social Care

Chief Social Work Officer

Service Manager – Criminal Justice

### **Key Delivery Mechanisms**

Community Safety Strategy

Northern Community Justice Authority Strategic Plan

SADAT Corporate Action Plan

Pledges	How we will deliver on the pledges
<p><b>We will :</b></p> <p><b>Crime &amp; The Fear Of Crime</b> reassure individuals by building confident communities</p> <p><b>Diversity</b> value diversity and promote positive behaviour and challenge hate crime</p> <p><b>Young People</b> aim to reduce children and young people's experience of crime and increase their personal safety</p> <p><b>Antisocial Behaviour</b> aim to reduce antisocial behaviour throughout Shetland</p> <p><b>Domestic Abuse</b> aim to break the cycle of domestic abuse, by reducing repeat victimisation</p> <p><b>Road Safety</b> aim to make Shetland's roads safer for everyone</p> <p><b>Personal Safety</b> ensure Shetland's residents and visitors are safe in their homes</p> <p><b>Water Safety</b> aim to increase awareness, within the community, of the potential dangers at sea and on the coastline of what measures can be taken to minimise the risks</p>	<p><b>How we will deliver on the pledges</b></p> <ul style="list-style-type: none"> <li>– Implement the decision of the recent SWIA Inspection of Social Work and Criminal Justice services.</li> <li>– Implement the new guidelines for Managing Offenders (MAPPA).</li> <li>– Deliver the Actions agreed in SADAT Action Plan</li> <li>– Continue to deliver the actions agreed in the Community Safety Action Plan 2005-10</li> </ul> <p><b>Key Performance Measures</b></p> <p>To increase the feeling of being safe, secure and inclusive within the community by 20%</p> <p>To increase the "detection rate of racially aggravated crime by 15%" by the end of 2007/8</p> <p>To reduce the number of offences committed by young people by 10% by 2010</p> <p>To reduce the incidence of vandalism by 15% by the end of 2007/8</p> <p>To increase reporting of incidents of domestic abuse by 15%</p> <p>To reduce the number of all people killed or seriously injured as a result of road accidents by 40% by 2010</p> <p>To reduce the number of children killed or seriously injured as a result of road accidents by 50% by 2010</p> <p>To reduce the number of all people slightly injured as a result of road accidents by 10% expressed as the number of people slightly injured per 100 million vehicle kilometres by 2010</p> <p>To prevent fire fatalities and injuries in Shetland homes by 10%</p> <p>To reduce the number of dwelling fires in Shetland by 10%</p> <p>To increase the feeling of being safe and secure within the home by 10%</p> <p>To reduce the number of accidents within the home by 10%</p>

## SECTION 3 - ENVIRONMENT and TRANSPORT

### ENVIRONMENT

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Key progress dates
<p>Shetland has a unique and important natural environment. It is seen as one of Shetland's most valuable assets.</p> <p>The protection and maintenance of natural resources, as well as enhancement of the built and natural environment, are regarded as priority areas.</p>	<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>develop policies and strategies, in consultation with the community;</li> </ul>	<p>Establish a local co-ordinating body to review and take an overview of Shetland's environmental situation.</p>	<p><b><u>Lead Member(s)</u></b> Spokesperson - Environment</p> <p><b><u>Lead Officer(s)</u></b> Environmental Action Team</p>	<p>Proposal to Council for approval by October 2007</p> <p>Report by March 2008</p>
		<p>Review and update Development Plan</p> <ul style="list-style-type: none"> <li>Produce working papers</li> <li>Produce issues report</li> <li>Produce draft plan</li> <li>Complete consultation</li> <li>Finalise draft plan</li> <li>Adopt plan</li> </ul> <p>Complete Lerwick/Gulberwick Master Plan Feasibility Study.</p> <p>Review Flooding and Coast Protection Policy.</p>	<p><b><u>Lead Member(s)</u></b> Chair – Planning Board</p> <p><b><u>Lead Officer(s)</u></b> Head of Planning</p> <p>Head of Planning</p> <p>Head of Planning</p>	<p>March 2008 June 2008 August 2008 Nov. 2008 January 2009 June 2009</p> <p>October 2007</p> <p>June 2008</p>
	<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>implement adopted Council policy and</li> </ul>	<p>Monitor the implementation of Planning policy to ensure that policy goals are</p>	<p><b><u>Lead Member(s)</u></b> Chair – Planning Board</p>	



	manage regulatory services in accordance with the relevant statutory framework;	being achieved and that decisions accord with the policy framework.  Monitor implementation of marine planning and works licence policies;	<b><u>Lead Officer(s)</u></b> Head of Planning  Coastal Zone Manager	Monitoring report annually  Report annually
	<b>We will :</b>  • develop a framework for integrated, sustainable management of the marine environment, in consultation with all marine stakeholders;	Update Development Plan to take account of extension of planning controls into the sea;  Consult on marine spatial plan developed through SSMEI  Monitor use of marine spatial plan in decision making processes	<b><u>Lead Member(s)</u></b> Chair – Planning Board  <b><u>Lead Officer(s)</u></b> Coastal Zone Manager	June 2008  Oct/Nov 2007  Jan/Feb 2008
	<b>We will :</b>  • promote, maintain and enhance our open spaces, to improve the environment and the quality of life for individuals through litter prevention, improving access and recreation;	Complete and adopt the Core Path Plan  Promote at least one existing designated site (e.g. SSSI, NSA etc) as a community resource  Maintain a cleanliness index for Shetland of 75 or more, which is recognised as a high standard of cleanliness.	<b><u>Lead Member(s)</u></b> Chair – Planning Board Spokesperson - Environment  <b><u>Lead Officer(s)</u></b> Head of Planning  Head of Planning  Head of Environment and Building Services	February 2008  Report by March 2008  Report annually
	<b>We will :</b>  • support renewable energy generation and the development of new and emerging technologies;	In support of renewable energy and to reduce carbon emissions, produce guidance on:  • Energy consumption in houses	<b><u>Lead Member(s)</u></b> Chair – Planning Board  <b><u>Lead Officer(s)</u></b> Head of Planning	December 2007

	<ul style="list-style-type: none"> <li>• fully engage with local communities and all stakeholders;</li> </ul>	<ul style="list-style-type: none"> <li>• Energy ratings for housing</li> <li>• Sustainable design</li> </ul>		
Given the remote location and dispersed population, self-sufficiency and proximity principles underpin the delivery of our services.	<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>• manage waste, to limit its impact on the environment;</li> <li>• promote waste minimisation;</li> <li>• use waste as a resource for the promotion and sustainability of our communities.</li> </ul>	<p><b><u>Recycling of Municipal Solid Waste (MSW)</u></b></p> <p>Prevent MSW waste arisings by maintaining at or below 2002 levels of 12613 tonnes.</p> <p>Recycle more than 17% of MSW</p> <p>Ensure more than 63% of MSW goes to energy recovery.</p> <p>Ensure that less than 20% MSW sent to Landfill.</p> <p>Increase total number of home compost bins distributed by the Council or its partners to 4000.</p> <p><b><u>Industrial and Commercial Waste</u></b></p> <p>All businesses receiving grants or loans from the Council to be required to develop good environmental practice and report on how they will reduce resource use and prevent waste.</p> <p>100 local businesses/ premises with Tidy Business Award.</p>	<p><b><u>Lead Member(s)</u></b> Spokesperson - Environment Chair – Planning Board</p> <p><b><u>Lead Officer(s)</u></b> Head of Environment and Building Services</p> <p>Head of Environment and Building Services</p> <p>Head of Environment and Building Services</p> <p>Head of Environment and Building Services</p> <p>Head of Environment and Building Services</p> <p>Head of Environment and Building Services</p>	<p>Report annually</p> <p>Report annually</p> <p>Report annually</p> <p>Report annually</p> <p>March 2010</p> <p>March 2008</p> <p>March 2010</p>

		<p><b><u>Council Waste</u></b> Ensure all printing and writing paper purchased contains 50% recycled content, all tissue paper contains 100% recycled content.</p> <p>In construction applications over £1 million, at least 10% of the value of materials used will derive from recycled content in the products and materials selected.</p> <p>Reduce CO2 emissions from Council buildings and transport by 1.5% per annum to achieve a 6% reduction by 2011.</p> <p>Reduce energy use in Council buildings by 1.5% per annum to achieve a 6% reduction by 2011.</p> <p>Complete installation of water meters in all Council premises.</p>	<p>Head of Environment and Building Services</p> <p>Head of Environment and Building Services</p> <p>Head of Planning</p> <p>Head of Planning</p> <p>Head of Planning</p>	<p>Report annually</p> <p>Report annually</p> <p>Report in March each year</p> <p>Report in March each year</p> <p>March 2008</p>
<p><b>Key Delivery Mechanisms</b> Towards a Greener Shetland Shetland Local Plan Shetland Structure Plan</p> <p>Environmental Svs Service Plan Area Waste Strategy Planning Service Plan</p>				

## TRANSPORT

Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Key progress dates
<p>Shetland's communities are scattered and have a diverse set of needs.</p> <p>To underpin all our aims we need to have sustainable road, sea and air transport systems to move freight and people between and within our communities.</p>	<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>seek to ensure the requirements of communities are met by the innovative management of investment between infrastructure and services;</li> </ul>	In conjunction with ZetTrans, carry out a stock take of existing transport provision in Shetland across all agencies	<p><b><u>Lead Member(s)</u></b> Chair / Vice Chair – Infrastructure Committee</p> <p><b><u>Lead Officer(s)</u></b> Head of Transport</p>	March 2008
	<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>seek to develop our systems of public transport to meet changing needs;</li> </ul>	In partnership with ZetTrans, carry out a review of bus services, including evening services, and explore alternative models of public transport service delivery	<p><b><u>Lead Member(s)</u></b> Chair / Vice Chair – Infrastructure Committee</p> <p><b><u>Lead Officers(s)</u></b> Head of Transport</p>	March 2008
	<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>work with ZetTrans to develop and secure funding support for improving internal transport services that are demand responsive and meet the varying needs of rural communities throughout Shetland.</li> </ul>	Carry out a review of ferry fares and ferry utilisation	<p><b><u>Lead Member(s)</u></b> Chair / Vice Chair – Infrastructure Committee</p> <p><b><u>Lead Officers(s)</u></b> Head of Transport</p>	March 2008
	In recognition of the specific challenge of sustaining inter-island communications and the future investment that will be		<p><b><u>Lead Member(s)</u></b> Chair / Vice Chair – Infrastructure Committee</p>	

	<p>required to maintain island ferry links,</p> <p><b>We will :</b></p> <ul style="list-style-type: none"> <li>endeavour to provide fixed links, where appropriate, starting with the link to Bressay;</li> <li>work with ZetTrans to secure external funding support for island links;</li> </ul>	<p>Complete STAG for Bressay Link</p> <p>Complete STAG 2 for Whalsay Link</p> <p>Undertake Cost Study for Tunnels</p> <p>Complete STAG for Bluemull Link</p>	<p><b><u>Lead Officers(s)</u></b> Head of Transport</p>	<p>March 2008</p> <p>March 2008</p> <p>March 2008</p> <p>September 2008</p>
	<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>seek to ensure reliable, affordable and appropriate external air and sea links are developed to meet Shetland's business and social needs.</li> </ul>	<p>Establish consultation arrangements with external air and sea link operators</p> <p>Review potential for PSO's on external air routes, in conjunction with ZETRANS, HITRANS and other island councils</p> <p>Promote air and sea links to Scandinavia:</p> <ul style="list-style-type: none"> <li>Select preferred operator for proposed sea link</li> </ul>	<p><b><u>Lead Member(s)</u></b> Chair / Vice Chair – Infrastructure Committee</p> <p><b><u>Lead Officers(s)</u></b> Head of Transport</p>	<p>September 2007</p> <p>September 2008</p> <p>October 2007</p>
<p><b>Key Delivery Mechanisms</b> Shetland Transport Strategy Transport Service Plan Ferry Services Service Plan</p>				

## SECTION 4 – EFFICIENT AND EFFECTIVE ORGANISATION

SUSTAINABILITY & EFFICIENT USE OF RESOURCES				
Policy area	Pledges	How we will deliver on the pledges	Responsibility for delivery	Key progress dates
<p><b>Living within our means</b></p> <p>So that we can continue to deliver high quality services to the people of Shetland, we must ensure that we adopt a sustainable approach to Council spending.</p> <p>That will involve ensuring Council Reserves are maintained at a minimum level of £250 million.</p>	<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>• Ensure that services do not overspend their annual revenue budgets;</li> <li>• Ensure that the Council's Medium-term Budget Strategy is adhered to, so that the draw on reserves to supplement general reserve fund spending is ended by 2012/13;</li> <li>• Ensure that the Capital Programme continues to be managed in line with available funds;</li> </ul>	<p>Members will be provided with regular reports to allow them to effectively review revenue budgets. No service area will overspend their revenue budget in any financial year.</p> <p>Revenue spending will be driven down by applying a policy-led zero-based approach to resource allocation through the annual budget and service planning processes.</p> <p>The Capital Programme Prioritisation System will continue to be applied to all new capital projects to ensure that funds are focused on those that deliver most benefit to the community.</p>	<p><b><u>Lead Member(s)</u></b> Convener</p> <p><b><u>Lead Officers(s)</u></b> Head of Finance</p> <p>Chief Executive</p> <p>Head of Housing and Capital Projects</p>	<p>Reviewed monthly and in October /January/May each year.</p> <p>October – December each year.</p> <p>Reviewed every Committee cycle.</p>
<p><b>Sustainable Development</b></p> <p>We are committed to ensuring that what we do as a Council does not compromise Shetland's future for the sake of the present.</p>	<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>• Seek to ensure that sustainability is embedded into everything that the Council does;</li> </ul>	<p>All Committee reports to will be linked to Council priorities and, in particular, show how any new and changed policies, services and projects are sustainable.</p> <p>Lead officers for significant projects, policies and strategies will carry out a Strategic Environmental Impact</p>	<p><b><u>Lead Member(s)</u></b> Convener</p> <p><b><u>Lead Officers(s)</u></b> Head of Organisational Development</p> <p>Head of Planning</p>	<p>Reviewed each Council cycle</p> <p>Reviewed each Council cycle</p>

	<ul style="list-style-type: none"> <li>• Deliver on the actions outlined in the Sustainable Development Action Plan;</li> </ul>	<p>Assessment, to ensure that issues of sustainability are taken into account.</p> <p>Any developments with a lifetime of more than 20 years will be required to factor-in climate change.</p> <p>All feasibility studies will include a sustainability test, including ensuring that greenhouse gases / CO2 emissions are minimised in projects.</p> <p>Monitor impact the Council is having on improving Shetland's sustainability, by producing and analysing an update to 'Sustaining Shetland' each year.</p>	<p>Head of Organisational Development</p> <p>Head of Organisational Development</p> <p>Head of Organisational Development</p>	<p>February 2008</p> <p>October 2007</p> <p>September each year</p>
<p><b>Ensuring we are being efficient in everything we do</b></p> <p>In order to make sure that we are making best use of our resources and delivering services as effectively as possible, we will promote efficient working across the Council.</p> <p>We will encourage managers to be proactive in promoting efficiency through their service delivery.</p>	<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>• Ensure that all services demonstrate efficient working;</li> <li>• Ensure that we are being as efficient as possible in the way we procure goods and services;</li> </ul>	<p>Require all Services to show efficiency savings that they are making each year through Service Planning activity.</p> <p>An annual Efficiency Statement will be produced each year and communicated to the public through our public reporting mechanisms.</p> <p>Deliver at least a 10% saving on procurement budgets and build on this annually thereafter.</p>	<p><b><u>Lead Member(s)</u></b> Convener</p> <p><b><u>Lead Officers(s)</u></b> Head of Organisational Development</p> <p>Head of Organisational Development</p> <p>Chief Executive</p>	<p>October – December each year.</p> <p>August each year.</p> <p>September 2008</p>
<p><b>Improving accountability and transparency</b></p> <p>As a public body that is</p>	<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>• Ensure that we promote</li> </ul>	<p>Carry out a review of the Council's</p>	<p><b><u>Lead Member(s)</u></b> Convener / Vice Convener</p> <p><b><u>Lead Officers(s)</u></b></p>	<p>March 2008</p>





## PERFORMANCE MANAGEMENT

<p><b>Checking that we are doing what we said we were going to do</b></p> <p>The only way to ensure that we are improving over time and continuing to meet the needs of the Shetland public is to monitor our performance.</p> <p>This will involve taking action when poor performance is identified, as well as celebrating good performance and learning from it.</p>	<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>Encourage Members and officers to engage openly in performance management, to achieve best possible service levels for Shetland;</li> </ul>	<p>Member Performance Panels will carry out challenging reviews of service performance, which will lead to year-on-year improvements in performance.</p> <p>The Audit and Scrutiny Committee will monitor delivery of this Plan on a 6-monthly basis. They will be responsible for investigating areas of underperformance, wherever considered appropriate.</p>	<p><b><u>Lead Member(s)</u></b> All Members</p> <p>Audit and Scrutiny Committee <b><u>Lead Officers(s)</u></b> Head of Organisational Development</p> <p>Head of Organisational Development</p>	<p>Quarterly each year (October, January and May).</p> <p>October and May each year.</p>
<p><b>Developing the Council into an organisation that believes in achievement and excellence</b></p>	<p><b>We will :</b></p> <ul style="list-style-type: none"> <li>Seek to develop the Council's profile as a high-performing organisation;</li> <li>Monitor our customers'</li> </ul>	<p>Improve our performance on at least 10 Statutory Performance Indicators each year.</p> <p>Education and Social Care Department to achieve Investors In People status.</p> <p>Where an HMle inspection takes place in a school, 80% of indicators will be assessed as being "good" or "very good".</p> <p>All Service areas will measure customer</p>	<p><b><u>Lead Member(s)</u></b> Convener</p> <p><b><u>Lead Officers(s)</u></b> Head of Organisational Development</p> <p>Executive Director – Education and Social Care</p> <p>Head of Schools</p> <p>Head of Organisational</p>	<p>Reviewed in September each year.</p> <p>March 2011</p> <p>Reviewed in May each year.</p> <p>Reviewed in Oct,</p>

	service experiences and act on all feedback, as part of ensuring we are delivering the services that are required.	satisfaction levels and ensure that satisfaction levels are at least 70%.	Development	Jan and May each year.
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**Key Delivery Mechanisms / Links to Audit Risk Analysis and Plan (ARAP)**

**Education Service Improvement Plan**

**ARAP (Using performance to drive service improvement) – Pt 5**

**Policy Unit Service Plan**

## WORKFORCE PLANNING

<b>Being an excellent employer</b>	<b>We will :</b>		<b><u>Lead Member(s)</u></b> Convener	
This Council will seek to establish a reputation for being a modern, forward-looking and dynamic employer.	<ul style="list-style-type: none"> <li>Ensure that our employment practices are fair and do not discriminate against anyone;</li> </ul>	In consultation with our employees, a Single Status package will be introduced that contributes to service improvement and modernisation;	<b><u>Lead Officers(s)</u></b> Head of Organisational Development	April 2008
As part of that, we will attract and retain high quality and well-motivated employees.	<ul style="list-style-type: none"> <li>Ensure that our employees' training and development needs are being met;</li> </ul>	Promote continuing professional development wherever it is relevant. Ensure that 80% of employees have a Personal Development Plan and are having regular reviews through the Employee Review and Development Policy.	Head of Organisational Development	April 2011
This lies at the heart of being able to deliver quality services to Shetland's communities in the long-term.		Introduce a Workforce Development Strategy in Education and Social Care Department	Executive Director – Education and Social Care	April 2009
	<ul style="list-style-type: none"> <li>Encourage more University graduates to return to Shetland to take up employment with the Council;</li> </ul>	Employ at least 12 graduates each year in the Graduate Placement Scheme.	Head of Organisational Development	April 2009
	<ul style="list-style-type: none"> <li>Develop innovative recruitment practices to help sustain the Council's</li> </ul>	Ensure that at least 20% of professional posts that are advertised each year have a career grade, to allow	Head of Organisational Development	August each year.

	workforce requirements in the long-term;	unqualified/inexperienced candidates to apply.  Liase with Careers Scotland to promote Council services that have problems recruiting staff.	Head of Organisational Development	April 2009
<b>Valuing diversity</b>  We believe in valuing people's diversity and treating everyone the same, regardless of their sex, faith, age, sexuality or gender.	<b>We will :</b> <ul style="list-style-type: none"> <li>Promote the Council as organisation that believes in tolerance and equality of opportunity.</li> </ul>	Carry out a review of employee Terms and Conditions to ensure compliance with anti age discrimination legislation.  Develop equality impact assessment and equalities performance reporting.	<u><b>Lead Member(s)</b></u> Convener  <u><b>Lead Officers(s)</b></u> Head of Organisational Development	March 2010  March 2010
<b>Improving our communications</b>  In order to develop the image of the Council, it is important that we improve our organisational communications.  This involves not only improving relations with the public, but also the media and our staff.	<b>We will :</b> <ul style="list-style-type: none"> <li>Seek to develop Members' skills and abilities in dealing with the media;</li> <li>Implement more structured communications within the Council, to keep employees, partner organisations and trade unions informed of what's going on;</li> <li>Listen to staff views and ideas to inform future planning of services, particularly from staff who deliver services at the front line.</li> </ul>	All Members will participate in media relations training, as part of the Member Development Programme.  A report will be produced at least once a year, in a way that informs and engages the public on Council performance.  Carry out an Employee Satisfaction Survey and return a 75% staff satisfaction rate.	<u><b>Lead Member(s)</b></u> Convener  <u><b>Lead Officers(s)</b></u> Head of Organisational Development  Head of Organisational Development  Head of Organisational Development	November 2007  By 31 October each year.  March 2009

	<ul style="list-style-type: none"> <li>Communicate in a clear and regular fashion with employees</li> </ul>	Produce a 6-monthly 'Your Council' newsletter as well as departmental briefings	Chief Executive	February and August each year
<b>Key Delivery Mechanisms / Links to Audit Risk Analysis and Plan (ARAP)</b> Human Resources Service Plan      Policy Unit Service Plan Education Service Improvement Plan      ARAP (Using performance to drive service improvement) – Pt 3 ARAP (Workforce Planning) – Pts 2,3      Communications Strategy				

EFFECTIVE MANAGEMENT OF ASSETS				
<b>Making best use of Council buildings</b>  As part of ensuring that we are being efficient, we will seek to regularly review the way that Council-owned buildings are being used.	<b>We will :</b> <ul style="list-style-type: none"> <li>Seek to create a single Council Campus for services currently based in Lerwick, to improve efficiency in the use of Council office space;</li> <li>Ensure that we are making the most efficient use of our buildings, by reviewing the non-housing estate;</li> <li>Capitalise on potential efficiencies offered by employees working from remote locations / home;</li> </ul>	Build new headquarters for the Social Work and Housing services;  Determine and, if appropriate, implement the conversion of the former Lerwick fire station into offices for Infrastructure Services.  Develop effective asset use plans for the school estate, as part of the 10-year 'Blueprint for Schools in Shetland'.  Have an additional 20 employees each year working from a remote location or from home.	<u><b>Lead Member(s)</b></u> Convener Accommodation Working Group  <u><b>Lead Officers(s)</b></u> Executive Director – Education and Social Care Executive Director – Infrastructure Services  Executive Director – Education and Social Care  Chief Executive	March 2011  March 2010  March 2011  Reviewed in May each year
<b>Key Delivery Mechanisms / Links to Audit Risk Analysis and Plan (ARAP)</b> Asset and Properties Service Plan      ARAP (Effective Management of Assets) – Pt 1				

## Appendix B

### List of Projects Awaiting Budget (Prioritised list)

*New projects are in bold italics*

PROJECT	£000's
Leog House Replacement	300,000
<b><i>Energy Recovery Plant Replacement Equip</i></b>	<b><i>98,000</i></b>
<b><i>Old Library Centre Roofing</i></b>	<b><i>40,000</i></b>
<b><i>Scalloway Dredging</i></b>	<b><i>20,000</i></b>
Replacement Workshop Mid Yell	180,000
Baltasound Library	143,000
Papa Stour Road	400,000
Germatwatt Footways, Walls	800,000
A970 Scord to School Scalloway	35,000
Education MIS - ICT project	205,000
Happyhansel School Accommodation	600,000
Scalloway JHS - Science Block	290,000
Murrister Replacement Building	150,000
A9071 Bixter to Aith	1,670,000
Private Sector Housing Grants	70,000
Sellanes Pier	5,400,000
Olnafirth Primary School	678,000
AHS - Hostel	9,791,000
Bridge Inspection Walkways	155,000





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## **REPORT**

**To:** ~~Shetland Islands Council~~Executive Committee 4 September 2007  
Shetland Islands Council 12 September 2007

**From:** Head of Capital Programme and Housing Service

**Report No:** CPS-08-07-F

**Subject:** Capital Programme - Capital Programme Review Team (CPRT) - August 2007

### **1.0 Introduction**

1.71.1 The Capital Programme Review Team (CPRT) was established to monitor existing projects and make proposals to the Council for decisions relating to the Capital programme (SIC Min Ref 141/06).

1.2 The proposals within this report follow the third meeting of the CPRT on the 20 August 2007.

1.3 This is not a progress report on committed capital projects, which will be the subject of a further report in the next cycle.

1.4 This report does look at and make recommendations on projects that remain at this stage uncommitted.

1.5 The adjusted list of capital projects already in progress is attached as Appendix A.

### **2.0 Link to Corporate Priorities**

2.1 As part of the Council's commitment to sustainability within the Corporate Improvement Plan we have undertaken to define our priorities so we can sustain the services we want to provide and help develop our economy. A key component of this is the commitment we have made to implement a Capital Programme prioritisation system and the continuation of that process.

2.2 This is the first in a series of periodic reports submitted from CPRT to seek approval of the proposed changes to the Capital programme regarding inclusion of new projects, budget and programming.

### 3.0 CPRT Submissions

3.1 CPRT heard requests for funding through the Capital programme. These requests and the recommendation from CPRT are set out and summarised below:

3.1.1 **Knab Dyke**– Sports and Leisure Services presented a report on the Knab Dyke Reconstruction project, which has been re-assessed, and additional works recommended following the collapse of part of the Knab cliff face in December 2005. **CPRT recommendation** – That, the project (having already been advertised) is tendered and thereafter any tenders received be evaluated by the Capital Programme and Sports and Leisure Services, in accordance with Standing Orders.

3.1.2 **Trondra Phase 2 – Report on Overspend** – The Network and Design Manager, Roads reported on an overspend of £100k on the Trondra Phase 2 project. **CPRT recommendation** – That, the Roads Service report this to the Infrastructure Committee and identify any funding from within other Infrastructure projects to offset the overspend. Provision for meeting the expenditure to be made within current programme in the first instance.

3.1.3 **Olnafirth** – Service Manager Building Services reported on options for carrying out maintenance on Olnafirth School. **CPRT recommendation** – CPRT noted the report but felt unable to make a decision until the Council decides on a strategy for future use of this school. CPRT requested the Head of Schools prepare a report to the Services Committee on this matter.

3.1.4 **Burial Grounds** – The Waste Services Manager prepared a report on reprofiling on the Burial Ground programme at an additional cost of £152,889 for the current financial year. **CPRT recommendation** – That the existing burial ground programme be reprofiled in accordance with recommendations to meet the Council's commitments.

3.2 The projects seeking to be added to the programme were:

3.2.1 **Breiwick Road** – The Network and Design Manager, Roads presented a report on the proposed replacement of the sea wall at the Sletts. **CPRT recommendation** – That further information be prepared for Option 2 and cash flow projections prepared for both options in order that the project can be evaluated.

3.2.2 **Old Library Centre – Flat Roof Renewal** – Service Manager Building Services reported on options for the Flat Roof Renewal. An immediate repair was necessary to maintain the asset and avoid the risk of injury. **CPRT recommendation** – That Option C (a liquid plastics solution to coat existing roof covering) at a cost of £40k be approved and reported to Council.



- 3.2.3 **Scalloway Harbour – Dredging of Main Navigation Harbour** – General Manager – Ports and Harbours Operations reported on a proposal to obtain consents on proposed dredging work at Scalloway Harbour. CPRT recommendation – CPRT approved the report for recommendation to the Council.
- 3.2.4 **Ancient Monuments and Listed Buildings within Burial Grounds** - The Waste Services Manager prepared a report seeking funding for the stabilisation of ancient monuments and historic buildings associated with burial grounds. CPRT recommendation – That minimal works to be carried out and that there is further exploration of funding this project by other means taking account of the heritage value.
- 3.2.5 **Energy Recovery Plant – Replacement Equipment** - The Waste Services Manager prepared a report seeking funding to carry out necessary additional maintenance at the Energy Recovery Plant. Expenditure of £98k was required in this financial year to avoid risk of prosecution. CPRT recommendation – Further information was required in order to prepare a Net Present Value calculation, which would include future revenue implications. Provision to be made for the £98k in this financial year.
- 3.3 CPRT scored each of the new projects with complete information in accordance with the Council's criteria (Min ref 48/06). The new projects were then ranked alongside other projects that are still to be programmed. The results of that scoring, as a revised list of projects awaiting commencement (in order of priority), are attached as Appendix B. The new projects are highlighted in italics.
- 3.4 The Council agreed to greater scrutiny by CPRT for projects within rolling programmes. The recommendations set out in 3.2.4 and 3.2.5 continue that process.
- 3.5 Members should note that there are still many projects at feasibility and/ or option appraisal stage. These projects cannot be scored by CPRT until this information is complete. Therefore, they cannot be added to the prioritisation list at this stage. This applies to the remaining Social Work projects and projects associated with the Transport Strategy. However, as these projects progress they will be prioritised in due course and brought to Members for consideration at that point.
- 3.6 Should Members agree to the recommendations in this report, the adjustment in Table 1 below shows the net result:

<b>Project</b>	<b>Expenditure £000 (A)</b>	<b>Slippage £000 (B)</b>
Trondra Phase 2	100	
Burial Grounds	153	
Old Library Centre	40	
Scalloway Harbour	20	
Energy Recovery Plant	98	
<b>Sub Totals</b>	411	0

**Total Slippage Available = 0 (none currently identified)**

- 3.7 Any slippage, which becomes available into the future, will have to meet the costs set out in 3.6 in the first instance. Any further slippage will allow projects to come forward in order of priority.
- 3.8 Members will note from Appendix A that the total of available expenditure is already committed. Therefore, without any other form of adjustment the expenditure required to meet the commitments set out in 3.6 would have to come from reserves. This would be contrary to existing financial policy and would compromise the capital programme by placing it in an unsustainable position. Therefore further approval or amendment has to be made by the Council
- 3.9 As with all Capital Projects there may be several phases. Therefore, all projects have to be managed in a flexible way to make sure that funding is fully utilised and the programme of work fits together in the most meaningful way. This means that some projects might conclude the feasibility or design phase but then have to wait for the further availability of funding to commence the construction phase.
- 3.10 We are currently at a very early stage of the financial year. Historically, there is ongoing slippage throughout the year. Therefore, there is a real possibility and expectation that further slippage will occur to offset the additional commitments set out in 3.6.
- 3.11 Taking into account the comments in 3.10 the following options are available to Members:
- 3.11.1 To compromise reserves and authorise the additional expenditure at this stage contrary to existing policy;
  - 3.11.2 To cut other projects that have already started;
  - 3.11.3 Using caution, continue by authorising progress as the programme stands but postponing any decision until the next cycle to see if further natural slippage occurs.
- 3.12 Members should note that by taking a decision to defer, there is unlikely to be room for further additions without further depleting reserves. Members should also note that this is how the capital programme will have to be managed into the future to control costs. Also as larger projects proceed and/ or other demands are made on the Councils reserves, the restrictions on the capital programme are going to become tighter and so decisions harder.
- 3.13 Further adjustments to the capital programme will be reported to Members in due course. Similarly, progress against all projects will be reported to Members on a periodic basis.
- 3.14 At the last meeting of the full Council some Members expressed dissatisfaction with the outputs generated by the prioritisation process. When the prioritisation process was established in March 2006 (Min Ref 48/06), it included provision of a Member/ Officer working group to review the weighting and points to be awarded. This group never met for this purpose due to the formation of a new Council.

- 3.15 Re-establishment of that working group with a Member from each ward would allow the existing arrangements to be reviewed. The outputs and recommendations from that working group can then be brought back to the Council for determination into the future. The remit of the Group is attached as Appendix C.
- 3.16 Subject to the review outlined in 3.14. All new projects will be subject to the Capital Programme Review Process (CPRT), (Min Ref 141/06). Projects that come through this process in the future will be scored and ranked alongside remaining projects for Members to consider into the future.
- 3.17 With a target of £20m per annum to spend (Min Ref 139/06), and a programme that is heavily over-subscribed, it is necessary for Members to reach a decision on the order that they would like to see these projects completed. This will aid and facilitate the programming and delivery of all projects into the future. It will also promote sustainability of reserves.

#### **4.0 Proposal**

- 4.1 It is proposed that Executive Committee and Council:
  - 4.1.1 Note the serious and over committed nature of the capital programme;
  - 4.1.2 Recognise and authorise the need to meet commitments in 3.1.2, 3.1.4 and 3.2.5;
  - 4.1.3 Using caution, continue by authorising progress as the programme stands but, postponing any decision until the next cycle to see if further natural slippage occurs;
  - 4.1.4 Note the Capital programme is heavily over subscribed and must be prioritised in some form to remain sustainable;
  - 4.1.5 Nominate a Member from each ward to a Member/ Officer working group to review the principles and weighting for the future prioritisation of the Capital programme;
  - 4.1.6 The Member/ Officer working group bring back their findings and recommendations to the Council:

#### **5.0 Financial Implications**

- 5.1 The proposals within this report make use of existing agreed resources without the need to provide additional funding at this stage. Therefore, there are no direct financial implications from this report. Indirectly, tighter control may lead to greater efficiencies and a longer term reduction in revenue burdens. However, unless further slippage occurs a decision will be required to adjust or amend the capital programme.

#### **6.0 Policy and Delegated Authority**

- 6.1 Matters relating to the Council's Capital programme are referred to Council for decisions (SIC Min Ref 122/03 and 145/03).

- 6.2 This report is submitted to the Executive Committee in terms of its remit for financial monitoring, and for them to make comments or recommendations to Council.

## **7.0 Conclusion**

- 7.1 This report represents the results of the latest CPRT meeting. The programme for 2007/08 has only recently begun and so the use of any slippage that may occur into the future cannot be predicted at this stage. Historically, slippage does occur throughout the year. However, the current arrangements force these issues and provide a focus greater than before. This means that the incidence of slippage should be much less and so it cannot be relied upon as a longer term solution to the existing constraints upon the capital programme. The recommendations within this report will assist with controlling of costs, allocation of resources in the future and the provision of a sustainable capital programme into the future.

## **8.0 Recommendations**

- 8.1 It is recommended that Executive Committee consider the report and make comment to Council where necessary, and thereafter that the Council:
- 8.1.1 Note the serious and over committed nature of the capital programme;
  - 8.1.2 Recognise and authorise the need to meet commitments in 3.1.2, 3.1.4 and 3.2.5;
  - 8.1.3 Using caution, continue by authorising progress as the programme stands but, postponing any decision until the next cycle to see if further natural slippage occurs;
  - 8.1.4 Note the Capital programme is heavily over subscribed and must be prioritised in some form to remain sustainable;
  - 8.1.5 Nominate a Member from each ward to a Member/ Officer working group to review the principles and weighting for the future prioritisation of the Capital programme;
  - 8.1.6 The Member/ Officer working group bring back their findings and recommendations to the Council.

Our Ref: CM/RS/CPS-08-07-F

Date: 24 August 2007

Enclosures:

Appendix A: Adjusted List of Capital Projects in Progress  
Appendix B: Revised List of Projects Awaiting Commencement  
Appendix C: Remit – Member/ Officer Working Group

# **APPENDIX C**

## **MEMBER/ OFFICER WORKING GROUP**

### **1. REMIT**

To advise and assist the Head of Housing and Capital Programme on reviewing the principles and weighting for the future prioritisation of the Capital programme

### **2. MEMBERSHIP**

#### **COUNCILLORS**

*One member from each ward*

#### **OFFICIALS**

*Head of Housing and Capital Programme*

*Head of Finance*

*Head of Organisational Development*

### **3. AUTHORITY AND REPORTING**

The Group is purely advisory and has no executive powers. Any proposals arising from the work of the group must be referred by report from the Head of Housing and Capital Programme to Shetland Islands Council for decision.

### **4. ADMINISTRATION**

Administration will be provided by the Capital Programme Service.



## Appendix A

### Committed Capital Projects to be Completed in 2007/08

Code	Ref	Project	£000's
GCX4301	A	WAN Upgrade	95
GCX4312	B	Computers for Schools	160
GCX4315	C	IP Phones	250
GCX4319	D	Photocopiers	75
GCX4320	E	SSDN Infrastructure	70
GCX4306	F	Internet/Public Information System	80
GCX4310	G	Decentralised Working	140
GCX4311	H	SSIS upgrade	100
GCX4314	I	Ferry Ticketing System	17
GCX4316	J	AHS Computer Systems	17
GCJ3001	K	Water Based Facilities (Marinas)	735
GCA0221	L	Kantersted Respite Unit New Build	60
GCA0231	M	Care Homes Fire Upgrade	98
GCY5114	N	South Whiteness Burial Ground	25
GCY5120	O	Dunrossness Burial Ground	40
GCY5122	P	Bigton Burial Ground	5
GCY6112	Q	Setters Hill to Brook Point	30
GCY6116	U	B9074 Trondra Phase 2	11
GCY6401	R	Scord Quarry Plant	205
RCM2309	S	Peerie Dock Symbister	212
RCM2312	T	Scalloway Oil Support	100
GCK2000	U	Feasibility Studies	331
GCB6002	W	Toft Demolition	119
<b>Sub Total to be Carried Forward from 06/07</b>			<b>2,975</b>

## Ongoing Capital Expenditure for 2007/08

Code	Ref	Project	£000's
	n/a	Carry forward from 2006/07	2,975
GCY7210	n/a	Contingency (Transport Strategy)	500
?GCY5110?	1	Burial Grounds Rolling Programme	467
GCE1304	2	AHS – New Build	984
?GCA1000-08?	3	Social Care Rolling Programme	874
?GCJ3000?	4	Play area, Dykes, Paths & Multicourts	280
GCY6120	5	A970 Oversund Junction	600
GCE3402	6	Sandwick – ASN	589
GCE1315	7	Mid Yell JHS	600
GCJ3006	8	Community Organisation Grants	213
GCB6004	9	DDA Works	170
GCY6201	10	Bressay Bridge	400
GCX4317	12	Enterprise Backup-ICT	250
GCL4402	13	Cinema & Music Venue	300
GCB6002	14	Office Accommodation Review	550
GCY7601	15	Ferry Rolling Programme	116
GCK2001	16	CCTV System Lerwick	170
GCH3200	17	Housing Rolling Programme	187
GCY6123	18	Gilbertson Road Reconstruction	482
GCB6006	19	Ness of Sound Farm	37
GCY6106	20	A971 Haggersta to Cova	100
GCY5133	21	Rova Head Reinstatement	2,000
GCY5132	23	Replacement Esplanade Toilets	350
GCY9000	24	Architectural Heritage Programme	265
GCY6000	25	Roads Rolling Programme	1,305
GCX4321	26	Risk Management System	90
GCY6121	27	B9081 Mid Yell (Hillend Section)	10
GCX4300	28	PC/LAN Upgrades	280
GCY9010	29	Conservation Grants	70
GCY9006	30	Energy Conservation	33
GCB6001	33	Copper Pipework Replacement	200
GCY7254	35	Vehicle & Plant Replacement	1,246
		Scord Quarry Plant	250
		Re-Cladding Gremista Workshop	430
		Power Distribution Gremista Workshop	20
		Uyeasound Pier	1,200
		Lerwick Library (Preliminary Design)	100
		Education Maintenance	795
		Public Toilets Rolling Programme	100
		Old Scatness	100
		Reserve Fund Property Grant	80
<b>Total Capital Expenditure</b>			<b>19,768</b>





## **REPORT**

To: Shetland Islands Council

12 September 2007

From: Acting Asset and Properties Manager  
Executive Services Department

### **EXTERNAL AND INTERNAL WORKS TO TOWN HALL AND STONWORK REPAIRS TO LYSTINA HOUSE**

**Report No: LA57-F**

#### **1. Introduction**

- 1.1 This Report seeks a decision on proposals to carry out external works to the Town Hall steps and paving, internal lighting and decorations at the Town Hall, and stonework repairs to Lystina House. These proposals were approved by the Town Hall / Lystina House Consultative Committee on 27 March 2007.

#### **2. Links to Corporate Priorities**

- 2.1 This Report links to the corporate priority in the Corporate Plan of Looking After Where We Live, by seeking to maintain and improve two important listed buildings.

#### **3. Background**

- 3.1 A need for improvements was identified by the Town Hall/Lystina House Consultative Committee.
- 3.2 The proposed works consist of masonry repairs to the entrance steps of the Town Hall and improvements to the entrance hall and the decoration and light fittings to the main Hall itself. The works to Lystina House and are to focus on the decayed state of the external masonry, to prevent water ingress to the building fabric and to prevent further spalling of the loose and friable stonework and mortar surface repairs.
- 3.3 A feasibility study was carried out by Groves-Raines Architects Ltd and copies of this study have been made available to all members in the members' room.
- 3.4 The feasibility study was considered by the Town Hall/Lystina House Consultative Committee who approved the proposals with the exception of the stairway in the Town Hall.

- 3.5 The proposals could conveniently be considered as two projects. Firstly, the stonework repairs to Lystina House which could be carried out without significantly affecting the occupation of the building. Secondly, the works to the Town Hall which would best be phased to reduce major disruption to use.
- 3.6 If the proposals are approved, the works affecting the acoustics would be subject to discussion between the Capital Programmes Services Manager and the musicians and singers who use the main hall.

#### **4. Policy and Delegated Authority**

- 4.1 The Town Hall/Lystina House Consultative Committee make recommendations to the Chief Executive but these proposals require a decision of the Council.

#### **5. Financial Implications**

- 5.1 If the works are considered as two projects, the approximate estimated cost of each would be;
- |                                  |          |
|----------------------------------|----------|
| Lystina House stonework repairs; | £350,000 |
| Town Hall works;                 | £320,000 |
- These costs were current at November 2006 and no allowance has been made for inflation.
- 5.2 These projects would require capital funding from Council. Under capital programme prioritisation process approved by Council 29 March 2006 [Min Ref 48/06] and reviewed on 13 September 2006 [Min Ref 141/06], all new capital projects aiming to find a place on the capital programme will be considered individually and prioritised by the Capital Projects Review Team (CPRT). Depending on their prioritised position they will then be funded when budgets become available. When projects are presented to Council for their views, in advance of this process, Council will be asked to consider the project subject to a report being presented to the CPRT for consideration and prioritisation. The recommendations of the CPRT will then be brought to the Council for consideration.

#### **6. Recommendation**

- 6.1 I recommend that the Council decide subject to 5.2 above, whether to approve the recommendation of the Town Hall / Lystina House Consultative Committee to carry out the works described in the feasibility study with the exception of the stairway in the Town Hall.